

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, SEPTEMBER 21, 1933



Traditions have been robbed of some of their glory. The Recovery Period has brought new Ideas — new Methods of doing business. This means new insurance problems, new insurance needs . . . . The F. & G. Fire—sound, dependable, progressive—is ready to help agents and brokers solve the new problems and meet the new needs.

## **F & G FIRE**

FIDELITY AND GUARANTY FIRE CORPORATION

*affiliated with*

### **U S F & G**

UNITED STATES FIDELITY AND GUARANTY COMPANY

*Home Offices:*

BALTIMORE, MARYLAND

# Great American Insurance Company New York

INCORPORATED - 1872

+

## *IN THESE TIMES*

These are times of stress and strain. We are living in a most abnormal period. Disturbances and difficulties of almost every nature confront both companies and agents—unusual situations and problems must be met and solved almost daily.

In times like these it is comforting to agents of the Great American to know they have behind them an organization capable of properly meeting every contingency, for the Great American is never a "fair weather" company. It is as solidly back of its agents and their clients during these days of stress and strain as it will be when business will have righted itself again. A tie-up with the Great American assures an agent uniform service and support, not merely in fair weather but also during the days of adversity.

### WESTERN DEPARTMENT

310 South Michigan Avenue :: CHICAGO, ILL.

C. R. STREET, Vice-President



# *Symbols of* **DEPENDABLE INSURANCE**

Statement of Condition of the Companies of the Fireman's Fund Group  
Based on Market Value of Bonds and Stocks as of June 30, 1933.

	Assets	Liabilities	Surplus to Policyholders
FIREMAN'S FUND . . . . .	*\$29,283,412	\$14,610,162	\$14,673,250
HOME FIRE & MARINE . . . . .	*4,791,618	2,563,431	2,228,187
OCCIDENTAL INSURANCE . . . . .	3,323,354	877,487	2,445,867
FIREMAN'S FUND INDEMNITY . . . . .	5,628,226	2,948,122	2,680,104
OCCIDENTAL INDEMNITY . . . . .	2,270,938	1,070,756	1,200,182

\* Includes stock ownership in affiliated insurance companies valued on basis of capital and net surplus.

**STRENGTH . PERMANENCE . STABILITY**

*Fire • Automobile • Marine • Casualty • Fidelity • Surety*  
**FIREMAN'S FUND GROUP**  
*Fireman's Fund Insurance Company ~ Occidental Insurance Company*  
*Home Fire & Marine Insurance Company*  
*Fireman's Fund Indemnity Company ~ Occidental Indemnity Company*  
**HEAD OFFICE • SAN FRANCISCO**  
*Offices in the Principal Cities of the United States and Canada*





# INSURANCE DOCTOR

When a man is sick, he usually goes to his doctor (or sends for him). If he does not improve or new symptoms appear, he goes back. The patient takes the initiative.

How different is the patient in insurance matters! He seldom goes to an insurance doctor (the agent). The latter must take the initiative.

Even though he does, he meets sales resistance or unwillingness to take his advice. Hence the insurance doctor's great problem is to break down this sales resistance and build confidence in himself and insurance.

He is solving that problem better and better, to the benefit of assured, himself and society. The record of insurance in the past few years is helping him to build.

If his assured could be led somehow to consult him as readily as a physician! There would be as great an improvement in property protection as in the nation's health if people consulted doctors to keep them well.

In the absence of a millennium the agent must continue his present efforts, and he is doing a good job.

AMERICAN EQUITABLE ASSURANCE  
COMPANY OF NEW YORK  
Capital, \$1,000,000.00 Organized 1918

GLOBE & REPUBLIC INSURANCE COMPANY  
OF AMERICA  
Philadelphia, Pa. (Established 1862)  
Capital, \$1,000,000.00

IMPORTERS & EXPORTERS INSURANCE  
COMPANY OF NEW YORK  
Capital, \$1,000,000.00

KNICKERBOCKER INSURANCE COMPANY  
OF NEW YORK  
Capital, \$1,000,000.00 Organized 1913

MERCHANTS AND MANUFACTURERS FIRE  
INSURANCE COMPANY  
Newark, N. J. (Chartered 1849)  
Capital, \$1,000,000.00

NEW YORK FIRE INSURANCE  
COMPANY  
(Incorporated 1832) Capital, \$1,000,000.00

## CORROON & REYNOLDS

*Incorporated*

INSURANCE UNDERWRITERS

*Manager*

92 William Street

New York, N. Y.



# The National Underwriter

Thirty-Seventh Year—No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 21, 1933

\$4.00 Per Year, 20 Cents a Copy

## Propose Statute to Protect Reserves

New Jersey Agents Favor Law for Fire, Casualty Similar to Life Act

### HURTZIG NEW PRESIDENT

Watson of Schedule Rating Office Proposes at Atlantic City Convention New Commission Plan

#### NEW OFFICERS ELECTED

President—W. G. Hurtzig, Morristown. Secretary-treasurer—E. M. Schmults, Ridgewood (reelected).

Members Executive Committee—C. S. Stults, Hightstown, chairman; C. E. Meek, Jr., Paterson; H. A. Faunce, Atlantic City; Julius Klein, Newark, and A. V. Livingston, Englewood.

National Councillor—Frederick Hickman, Atlantic City.

In view of the cessation from business of one prominent fire company and the dismal failure of several widely operating casualty institutions the past year, with resultant embarrassment and in many cases pecuniary loss to their local representatives, the New Jersey Association of Underwriters at its annual meeting in Atlantic City went on record favoring legislation by the state compelling both fire and casualty companies to invest claim and unearned premium reserves in the same type of securities as required of life companies.

Other subjects that elicited interest in the business session were the position the organization should assume in connection with an agency code of practice, and the means that might properly be taken to improve the present status of workmen's compensation coverage in the state.

#### Elect 20 Vice-presidents

Vice-presidents elected are: Atlantic county, J. N. Bernar, Atlantic City; Bergen county, C. J. Kirkland, Rutherford; Burlington county, R. H. Aaronson, Jr., Bordentown; Camden county, W. B. Hambleton, Gloucester; Cape May county, J. A. L. Harris, Wildwood; Cumberland county, C. H. Reeves, Millville; Essex county, W. R. Pruden, Newark; Hudson county, W. F. Turner, Jersey City; Hunderton county, G. A. Reiger, White House Station; Mercer county, S. M. Fell, Trenton; Middlesex county, T. S. Brown, Perth Amboy; Monmouth county, Walter Conroy, Keansburg; Morris county, S. K. Howell, Morristown; Ocean county, G. H. Pearce, Toms River; Passaic county, A. C. Sinn, Clifton; Salem county, O. W. Acton, Salem; Somerset county, G. O. Messler, Somerville; Sussex county, W. R. Sprague, Newton; Union county, Leslie Slocum,

(CONTINUED ON PAGE 13)

## Company Appraisals Hit By President Williams

Separation in Large Cities Also Recommended by W. U. A. Head

SARANAC INN, N. Y., Sept. 20.—The comment of W. D. Williams, western manager of the Security of New Haven, on the practice of insurance companies rendering appraisal service, in his presidential address before the Western Underwriters Association attracted the greatest attention of any subject he covered. This is a capital issue in the west because of the activity of the North America in undertaking to consolidate the insurance of public, religious and other institutions by making formal estimates of value for the assured.

An important principle is involved. The North America believes it is unfair to require an assured to maintain a specified percentage of coverage and then to refuse to aid the assured in arriving at his values. Competitors of the North America dispute the validity of this argument and fear that extension of the appraisal system is fraught with the gravest dangers. They fear that if one company uses the plan, competitors will be compelled to give the same service, either individually or through a bureau, which would increase the expense ratio materially, or that rate cutting would be engendered. In the last analysis, the premiums would not be increased, but a new expense item would be introduced, they say.

#### Recent Activity Cited

Mr. Williams stated there has developed within the last few months much activity on the part of some of the members in an effort to acquire business by the furnishing to the assured of an appraisal of the value of his property and/or the recommending of the amount of insurance necessary to comply with the requirements of coinsurance, usually coupled with the insistence that all of the insurance be placed with the company furnishing this appraisal service.

"It will be readily appreciated," he stated, "that a continuance of this service will break down the value of coinsurance and have the tendency to destroy our rating structure and if the furnishing of appraisals becomes a factor in the element of competition, it is but a short step to the manipulation of values which will destroy the vital fundamentals of rates and coinsurance."

"The practice should be dealt with before it gathers momentum as several of our important members are organized or will organize to furnish this appraisal service if it becomes a competitive factor."

"There are some phases of our business which should not be subject to competition. One of them is the relieving of an assured of the necessity of determining his own values and the amounts of insurance necessary to comply with coinsurance requirements if he

desires to receive the benefits of the rates accorded for the attachment of the coinsurance clause.

"The matter has received very careful consideration of your governing committee and it is recommending to you the adoption of legislation which will control this practice. I hope you will concur with the views of that committee and that their recommendations will receive your endorsement and the legislation proposed by them your favorable action."

Another important subject approached by Mr. Williams was separation in large cities. Apparently his observations in this direction were prompted by the activities of the Pearl of London, although he did not specifically name that company.

Mr. Williams said the activities of a non-affiliated and cut rate market have been much in evidence during the last six months and it is a reflection upon the business that the support for that market has been largely drawn from agents of organized companies. "It is obvious," he stated, "that such institutions, operating as they do, could not receive income enough to justify their existence if it were not furnished them by the agents of organized companies at whose expense is supplied all of the machinery for the orderly conduct of the business. That such a thing is possible is a reflection, both upon the companies who permit it and the agents who practice it."

#### Definite Action Needed

"Heretofore," he continued, "separation in the larger centers has not been deemed desirable but if the practice of our agents in feeding this cut rate market at the expense of organization companies is to continue, some definite and affirmative action may be necessary whereby those agents should cast their lot with the cut rate institutions and we in turn should cast our lot with those agents who believe in good practice and in orderly conduct."

"The situation presents a condition and not a theory. Concretely the question is: Are we to sit supinely by and allow our agents either through direct representation or in the capacity of brokers, to take the business from our books and place it in a market at cut rates, vicious forms, and practices that violate every sense of business decency?"

(CONTINUED ON PAGE 12)

## Oklahoma Agents Annual Meet Reported in Full

A complete report of the annual meeting of the Oklahoma Association of Insurers is given on pages 20-21 of this issue. Fred B. Humphrey covered the meeting for The National Underwriter and gives the details of the talks, discussions and the election of officers.

## W. U. A. Outlaws Appraisal Scheme

Mandatory Legislation Is Passed at the Mid-Year Meeting

### NORTH AMERICA OPPOSED

Association Votes to Set Up Headquarters Service in Connection With Delinquent and Trustee Agencies

SARANAC INN, N. Y., Sept. 20.—The recommendation of the governing committee of the Western Underwriters Association forbidding the use of appraisals on the part of members, was adopted today by practically unanimous vote of members entitled to vote on a mandatory resolution.

The legislation being aimed particularly at the North America, Western Manager C. R. Tuttle of that organization immediately telephoned his home office for instructions.

Mr. Tuttle subsequently declined to comment upon the action except to say that the rule having been adopted, the company will abide by it.

#### By GEORGE A. WATSON

SARANAC INN, N. Y., Sept. 20.—The initial session of the well attended semi-annual meeting of the Western Underwriters Association yesterday was devoted almost entirely to spirited consideration of the critical question of company appraisals. A decision was not reached yesterday and the issue was sharply debated again today.

The North America, which is represented by Manager C. R. Tuttle and Assistant Manager H. A. Miller, put up a last ditch fight against anti-appraisal legislation.

The North America stirred up the question by conducting appraisals in various centers with attention particularly directed towards its activity in Granite City, Ill., and the Catholic diocese of Peoria, Ill. That company takes pride in its engineering facilities to aid agents and assureds in arriving at values. This company takes the position that the assured is entitled to such consultation inasmuch as the contract imposes a penalty for failure to maintain insurance to value. The North America feels that an assured is just as much entitled to consult an agent and the insurer on this question as is a patient to consult his doctor or a litigant his lawyer.

#### Position of Opposition

The opposition, which numbers practically all other companies in the association, does not subscribe to the North America's views, feeling that in the last analysis appraisal service such as the North America has rendered does violence to the coinsurance principle and the rate structure. Moreover the opposition

(CONTINUED ON PAGE 6)

## Haid Expresses Disapproval of Automatic Cancellation

### TOO MANY DISADVANTAGES

Executives' President Says Companies That Adopt Clause Would Suffer From Outsiders' Competition

The benefits derived from an automatic cancellation clause do not compensate for the disadvantages, said Paul L. Haid, president of the Insurance Executives Association, at the annual meeting of the Underwriters Association of New York State in Syracuse. The Insurance Executives Association has studied the subject thoroughly and collected and carefully analyzed data and the disadvantages outweigh the advantages, particularly as such a movement would probably not be supported by all companies. Those who adopt it would suffer from the competition of those who did not.

Mr. Haid estimated that there are \$5,000,000 in delinquent premium balances due the stock companies and a large proportion of this will eventually have to be written off as loss.

### Greatest Advance in 10 Years

The ruling of the insurance commissioners requiring the reporting of delinquent balances, Mr. Haid characterized as the greatest advance in the business in ten years. He said the special agent who is soft with his agents in regard to the collection of balances does the agents more harm than good.

In discussing the general state of the fire business, Mr. Haid said it had more nearly held its place since 1929 than any other business and had been conducted with less loss and suffered less. He reported that no member of the Insurance Executives Association has ever been fined, although fines up to \$10,000 are provided for certain violations. The grievance committee has had many complaints, but every violation called to the attention of the member companies has been promptly corrected without argument or controversy.

Mr. Haid appealed to the field men to uphold company executives who are playing the game and not to embarrass them by doubtful field practices.

### Watson With London Fleet

Douglas Watson, previously in the field for the Globe & Rutgers, has been appointed Louisiana state agent for the London Assurance, Manhattan Fire & Marine, Union of Paris and the State of Pennsylvania in succession to the late Prioleau Ellis.

## Unique Invitation to Convention in Chicago

The Boston and Old Colony have sent out a unique invitation to their headquarters at the National Association of Insurance Agents convention in Chicago Oct. 10-13. The invitation is to "Ye Boston Tea Party." The invitation reads as follows:

"Wherein ye Bofton and Old Colony Insurance Companies will transport a bit of olde Bofton Towne to Chicago, together with some quaint yet pleaffing cutfoms of ye olde Bofton hospitalitie, and will provide a playce for receiving newe and olde friends attending the annual convention of the National Association of Local Agents. We, therefore, urge you to repair to roome 240, Ye Hotel Drake, as our welcome gueft."

## In the Chair



W. D. WILLIAMS, Rockford, Ill.

W. D. Williams of Rockford Ill., western manager of the Security of New Haven and East & West presided this week at the semi-annual meeting of the Western Underwriters Association at Saranac Inn, N. Y., as president of the organization.

## Question as to Solicitors' Status Under Agents Code

A question has arisen as to the status of solicitors under the NRA code which has been filed by the National Association of Insurance Agents. In one of the sections of the code there is a statement to the effect that employees, other than solicitors, etc., are exempted from the hour provisions of the code. The question, therefore, arises whether there is not the implication that solicitors, being classified as employees and being excepted from the hour provisions, are not subject to the minimum wage provision. This, of course, was not the intention of the framers of the code. It is a question that may be brought up at hearings that may be held on the agents' code.

### Flood Cover Not Written

THE NATIONAL UNDERWRITER has received an inquiry as to what companies, if any, are writing flood insurance. So far as can be determined, flood insurance is not being written at all today. A few years ago some of the companies

## Call Meeting in Chicago on New Inland Marine Project

### SYNDICATE IDEA PROPOSED

Purposes of Session Not Disclosed, but Supposition Is Reinsurance Plan Is to Be Advanced

A movement to form another inland marine organization, tentatively entitled the "Inland Marine Syndicate," is planned to take concrete form at a meeting set for Friday afternoon of this week in the Union League Club, Chicago.

A number of companies are said to have been invited to send representatives to the conference. The call came from W. C. Eberle, a marine man formerly of Chicago, who gave as his forwarding address the headquarters of the Rossia in Hartford. In Chicago he was connected with the North America, Jones & Whitlock and Rollins Burdick Hunter.

The purposes and aims of the proposed organization have not yet been divulged, nor have been the interests making the call through Mr. Eberle. Inquiry discloses that a considerable number of the more important inland marine companies were completely in the dark, having received neither an invitation to attend the meeting nor any information whatsoever.

### Meeting Place Changed

The meeting originally was called to be held Sept. 20 in Buffalo, N. Y., a later telegram from Mr. Eberle to some company offices changing the time and place to Chicago.

The probability is that the project is of a reinsurance nature. Except the business that is handled through such pools as the registered mail pool and American hull syndicate, very little marine reinsurance is placed by United States companies in this country. Most of it goes abroad. Mr. Eberle possibly is working on a plan to provide facilities for keeping a greater share of this business at home.

The chances are that Mr. Eberle does not have in mind setting up a new governing organization similar to the Inland Marine Underwriters Association.

offered to write this protection, but found that they could not get an adequate spread. It was purchased only by persons in regions periodically affected by floods.

The Pacific National Fire of San Francisco has been licensed in Kentucky.

## Advance in Fire Premiums Is Due to Higher Valuations

### FIND MUCH UNDERINSURANCE

Merchandise and Raw Material Stocks Greatly Increased This Year, Valuations Considerably Greater

It seems to be generally acknowledged that fire premiums are increasing, a phenomenon in which fire company managers are not placing too much hope, but which nevertheless is encouraging them to believe that the recovery is well started.

Persons who have analyzed the situation say the increase in fire premiums is due very largely to great stocks of merchandise, commodities and raw materials bought at rock bottom prices since the first of the year, and also to increased inventory valuation resulting from anticipation of the inflation program and from the National Recovery Administration work.

It is pointed out that grain products, textiles and other commodities since January have increased variously from 25 to 60 percent in valuation. One result of this in individual businesses has been the disclosing of considerable underinsurance. It is an opportunity which agents or brokers have not been slow to grasp. For several years the fire business has been going down, down, and premiums have decreased substantially.

The fire business, insofar as concerns merchandise and commodities following the stock crash in 1929, has been a story of no new purchases of stocks, but consumption of those on hand until the shelves were nearly bare, and a corresponding paring of fire insurance. With the upturn in the last month or so there is the first indication that perhaps the reverse process may be taking place.

### Study Free Insurance Evil

TORONTO, Sept. 20.—The Canadian Insurance Superintendents Association has appointed Superintendents Dugal of Quebec and Foster of Ontario as a special committee to consider credit and free insurance evils with representatives of companies and agents and report at the 1934 conference. Meanwhile each superintendent will be invited to collect data respecting agents' balances and other phases of the credit and free insurance evil in the different provinces.

### Company Men, Agents in Harmony

SEATTLE, Sept. 20.—At a joint meeting of Washington Advisory Board, King County Insurance Exchange and Insurance Agents League of Washington, each group expressed themselves as well satisfied with the cooperation of the other.

Both agents and company representatives lauded the work of Commissioner Sullivan, especially on his policy of sound insurance for the public. They also lauded the stand of the commissioner on deviations and his forbidding of further reductions until warranted by conditions.

### Winding Up Marquette National

Attorney E. J. Hennessy of Chicago is preparing to file a petition requesting permission to sell or abandon the remaining assets of the defunct Marquette National Fire of Chicago. Mr. Hennessy is attorney for the receiver. All claims against that company have now been acted upon and all that remain are some assets of doubtful value. Mr. Hennessy states that he has received an offer of \$100 for what is left. If the sale of these assets is authorized, the affairs of the Marquette National will be wound up.

## THE WEEK IN INSURANCE

Meeting of the Western Underwriters Association was held this week at Saranac Inn, N. Y. Page 3

Rendering of appraisal service by insurance companies is severely censured by President Walter D. Williams of the Western Underwriters Association at the mid-year meeting. Page 3

Annual meeting of the New Jersey Association of Underwriters, the local agents' organization, was held at Atlantic City. Page 3

Methods considered for blocking New York City tax levy on assets. Page 5

Call sent from east to a number of inland marine companies for meeting in Chicago on project to form "Inland Marine Syndicate." Page 4

Analysis of losses is made for the first eight months of the year. Page 5

Underwriters Association of New York State celebrates 50th anniversary. Page 5

Unusual insurance contract is written, which permits canners to assure their growers that seed and fertilizer advances will be liquidated in the event of crop failure. Page 5

Paul L. Haid says disadvantages of automatic cancellation outweigh benefits. Page 4

Program of Biarciff, N. Y., meeting of Insurance Advertising Conference is announced. Page 12

Additional features of convention of National Association of Insurance Agents are announced. Page 28

New Jersey agents stirred up over prospect of compensation state fund. Page 27

Some interesting information is being gathered for the Massachusetts legislature regarding London Lloyds' operations. Page 27

Cuyahoga County Bar Association, Cleveland, starts campaign for more restrictive insurance laws. Page 20



## Underwriters Association of New York 50 Years Old

### ANNIVERSARY IS CELEBRATED

Smalley Says It's Opportune Time to Simplify Rates and Forms—Haid Speaks

Fire insurance notables gathered in Syracuse to celebrate the 50th anniversary of the Underwriters Association of New York State. Secretary Lawrence Daw reviewed the history of the organization and commented on the development and unification of its rating work.

Frank M. Smalley, president of the Glens Falls, in discussing domestic relations, said that this is a period of adjustment of business practices to current conditions. It is an opportune time to simplify rates and forms and make the insurance business plain to the average assured to whom it is now a considerable mystery. He said the antagonism toward insurance companies arises from a lack of understanding of its principles and ways of doing business.

#### Too Many Agents

There are too many agents, said Mr. Smalley, and too many of the agents are poor agents. There has been too much pressure from the home office and field men to secure agents and get the companies planted in towns where they are not represented. He said it is more profitable to be patient and develop slowly and secure only high grade agents when they are available, for poor agents produce poor risks and poor risks a high loss ratio.

Paul L. Haid, president Insurance Executives Association, outlined the purposes of his organization. He complimented the association and thanked the members for their cooperation. He expressed himself as opposed to the adoption of an automatic cancellation clause. Organizations supported by the insurance companies cost \$18,000,000 annually, but a saving of at least 25 percent in operation expense has been realized in the last four years.

#### Enthusiastic Over NRA

J. J. Magrath, chief of the New York department's rating bureau, complimented Secretary Daw on the way he has conducted the rating organization. Mr. Daw was later presented with a watch by the association.

Mr. Magrath was enthusiastic over the NRA and said that although the spirit of the American people is naturally competitive, their efforts must be guided and controlled. He cited the cooperative accomplishments of the association which paralleled the aims of the NRA. "If industry can cooperate as insurance companies cooperate, they will have nothing to fear and the NRA will be a success," he said.

#### Sole Survivor Introduced

A. J. Halsey, president of the association, presided as toastmaster. He introduced the only living charter member, T. C. Alexander of Greenbush. Other notables at the speaker's table whom Toastmaster Halsey introduced, were: H. F. Atwood, formerly secretary of the old Rochester German; Thomas E. Gallagher, Chicago, oldest living president of the Underwriters association, serving in 1891. In introducing Ralph Potter, former secretary of the rating organization, Mr. Halsey asked how many present had worked under Mr. Potter and 24 rose. E. H. Sigison, manager of the Buffalo division; W. H. Scoop, manager suburban division of the rating organization, were also introduced. T. L. Rogers, Little Falls, former president of the New York State local agents association, and John R. Gardner, president of the Mer-

## Believe Loophole May Exist in New York Tax Measure

### QUESTION LEGALITY OF VOTE

Lawyers Keep Plans Quiet—Mayor O'Brien Holds Hearing But Will Undoubtedly Sign Measure

NEW YORK, Sept. 20.—The fact that the state legislature in granting New York City the right to levy taxes ordinarily denied it did so by a less than two-thirds majority, may prove to be sufficient to block Tammany Hall's efforts to tax the assets of life and fire companies. The tax bill awaits only Mayor O'Brien's signature to become law. He will hold a public hearing tomorrow as directed by law, but obviously nothing can be done to alter Tammany's determination to jam through the tax measures as they stand.

The constitution states that any legislation designed to apply only to certain cities and not to cities generally can be passed only by the governor's declaring an emergency and by a two-thirds majority of both houses of the legislature. The act authorizing New York City to levy special taxes was passed by a little more than a bare majority.

#### Consider Constitutionality

While this enabling act specified no particular city but merely "cities of 1,000,000 or more population," some court decisions have indicated that such attempts to get around the intent of the constitution would not be constitutional. However, some of the decisions are not so clear in construing such circumventions as illegal. This conflict of judicial opinion leaves considerable doubt as to whether insurance companies and others affected by the tax will be able to upset Tammany's latest effort to tax anything in sight.

Beyond attacking the law as unconstitutional because of the way in which the enabling act was passed, lawyers for the insurance companies are loath to say very much about their plans before they actually launch their legal drive. There will, of course, be efforts to show that the tax is unconstitutional in that it is discriminatory and confiscatory, in that it taxes certain types of business arbitrarily and inequitably.

There seems to be comparatively little fear that the courts will be stampeded by the city's obvious need of revenue and the seriousness of its credit crisis into rendering decisions that are not fully justified by the points of law involved. The courts are jealous of their reputation for integrity and would be unlikely to hand down a decision that would be subject to justifiable criticism later on, it is felt.

#### Globe & Rutgers Rumor

Persistent rumors continue that in some way or other the Globe & Rutgers may be revived. There has been a rise in its stocks. One report is that control is about to pass to a large financial institution in New York City. If this is done it is stated the company will be restored to its original owners.

#### Cunningham in Wichita Post

W. H. Moore, who has been connected with the Western Adjustment at Wichita, Kan., has been acting as secretary-treasurer of the Central Kansas Field Men's Club and has resigned the

chants Fire of Denver, were also present.

The business session was well attended. C. W. Pierce, Continental, spoke on mutual competition. A number of the old members were introduced and made short talks.

## Losses for Eight Months Present a Splendid Record

The National Board reports that fire losses in the United States in August amounted to \$23,626,505. This showed an increase of 15.33 percent over July but it was a decrease of 24.82 percent as compared with August last year. During the first eight months the losses were \$224,904,141, a decrease of more than \$75,000,000 over last year. The following table shows the losses for the first eight months compared with similar months of the last two years:

	1931	1932	1933
Jan.	\$44,090,449	\$39,224,783	\$35,547,565
Feb.	41,776,051	39,824,622	36,661,481
March	44,074,362	49,189,124	35,321,248
April	41,423,764	43,822,233	27,825,970
May	37,835,273	39,270,524	24,338,714
June	33,368,378	34,338,670	21,578,003
July	33,024,594	32,982,434	20,004,049
Aug.	31,917,630	31,425,931	23,626,505

Total \$307,510,501 \$310,078,321 \$224,904,141

The New York "Journal of Commerce" records 185 fires in the United States and Canada during August where damage of more than \$10,000 or more was caused, the aggregate being \$10,387,000. The chief losses were Dover, N. H., city hall, \$90,000; Cornwall, Ont., business block, \$750,000; Philadelphia chemical plant, \$100,000; Charleston, S. C., bales of hemp, \$75,000; Chicago brewery, \$75,000; Cobalt, Ont., mine buildings, \$700,000; Milwaukee elevator, \$700,000; Stonington, Conn., clubhouse, \$150,000; Chicago varnish warehouse, \$150,000; Milwaukee grain elevator, \$400,000; Milwaukee, Ore., paper plant, \$100,000; Broad Brook, Conn., fertilizer plant, \$100,000; Bound Brook, N. J., print works, \$125,000; Rantoul, Ill., air field buildings, \$500,000; Coulterville, Ill., business block, \$75,000; Vancouver, B. C., shingle mills, \$150,000; Spragge, Ont., lumber mill, dwelling, etc., \$700,000; Grangeville, Idaho, elevator, \$200,000; Kingtree, S. C., lumber plant, \$150,000.

latter position as he is transferred to the Minneapolis office of the Western Adjustment. He will be succeeded at Wichita by H. C. Cunningham of Sheffer-Cunningham, adjusters of Wichita and Topeka.

#### Gaines Back at Work

Lloyd Gaines, Topeka, Kan., special agent Commercial Union, this week is attending a conference of the company's field men in St. Louis. Mr. Gaines has been off the reservation for the past seven months due to illness. He feels that he has now sufficiently recovered to again assume his duties in the Kansas field.

## Immediate Reservations for the Meeting Urged

E. B. Vickery, chairman of the hotel committee for the Convention of the National Association of Insurance Agents to be held at the Drake Hotel, Chicago, Oct. 10-13, is urging those who are planning to attend the convention to make their hotel reservations immediately. The Chicago hotels are taxed to the limit because of the world's fair and although the committee does not want to discourage attendance for that reason, it is emphasizing the importance of arranging accommodations now. Those who desire to attend the convention should make reservations through the Chicago convention committee, 2158 Insurance Exchange, Chicago.

## Policy Covering the Seed Advance of Cannery Sold

### EXPLAINS UNIQUE CONTRACT

Guarantees Grower Will Not Be Indebted to Factory at End of the Season

The first year's experience has now been obtained on an unusual contract, written by one of the large fire companies for one of the leading canning houses of the country. This policy guarantees that the growers who are under contract to produce for the various canneries will not be indebted to the canning house because of seed and fertilizers supplied by the canning house to the growers.

As an experiment, the contract this year covered only peas grown in the neighborhood of nine factories. A heavy loss was suffered by the insurance company because the early peas were damaged by excessive precipitation and later peas were nipped off because the surface of the ground was sharply caked in the drought following the early precipitation. However, the insurance company is not discouraged, feeling that the system has merit and can be extended among responsible canners.

#### Practice Is Explained

The practice is for the canner to arrange with farmers in the neighborhood of the factory to produce enough so that the factory will operate at capacity during the canning season. Each farmer is instructed to plant a certain number of acres. He is supplied with seed and fertilizer and is told by the field men of the cannery when to do the planting and when to bring in the vegetables.

Thus the insurance company is not gambling on the competence of the farmer since all he has to do is to follow orders of experts.

The grower is charged up with the cost of the seed and fertilizer and is guaranteed a certain price for his product. If what he sells to the cannery is in excess of the seed and fertilizer advance, then the farmer collects. If what he gets is less than this advance then he is debited.

#### Production Is Stabilized

When the crop is poor and there is a debit against the growers, the canneries find that the farmers the next year are reluctant to make a contract to produce again. Therefore, with the insurance arrangement, the cannery is able to tell the farmer that in no event will he owe the cannery anything. The cannery adds to the price of the seed furnished the farmers enough to cover the insurance premium.

One question that the insurance company investigated before making the contract was the likelihood of embezzlement on the part of the farmers. That is, there was fear that the grower might sell some of his products to others than the cannery. However, the canneries that were insured employ field men who are constantly visiting the farmers and it was found that this hazard was not serious.

#### Attempted Theft Claims

Companies that are requiring the installation of special automobile locks before writing fire and theft insurance find that they must take a liberal attitude towards claims because of attempted thefts. Ordinarily, damage to an automobile resulting from attempted theft is not compensable, but where a company requires the installation of a special lock and the thief is not able to get away with the car because of this device, but causes damage in attempting to do so, the companies feel that they should recognize the claim. These locks are being installed extensively in Chicago.





The need of property insurance is as certain as the future is uncertain. That is the theme of this month's North America national advertising—plus the advantages of doing business with North America Agents as representatives of a dependable company with a 141-year background.

*Be sure to see the North America full page advertisement in the Literary Digest, September 9th.*

**Insurance Company of  
North America**  
PHILADELPHIA

*and its affiliated companies write practically every form of insurance except life.*

## W. U. A. Outlaws Appraisal Scheme

(CONTINUED FROM PAGE 3)

sition feels that the practical effect of the practice would be to increase expenses because other companies in self defense would be forced to conduct appraisal work. Therefore, a new horizontal expense factor would be projected.

Approval was given the recommendation of the governing committee that in order to assist field club committees in the collection of balances a special service be installed in the office of the association to review cases involving continued supervision of delinquent agencies, those in trusteeship or the sale of which may be proposed. No curtailment of authority of field clubs is intended or implied by such action, its whole purpose being to assist field men in all states save Michigan, Missouri, Ohio and Wisconsin.

### Hail and Tornado

All tornado policies issued hereafter must include hail coverage as well, the rules of the organization having been amended to that effect. The appeal of many agents that they be authorized to grant hail coverage under outstanding fire and tornado contracts without additional premium was denied, it being pointed out that allowing such privilege would greatly increase the liability of the carriers, particularly under the numerous three and five-year contracts now in force from which no added revenue would be derived.

Another issue of exceptional interest dealt with in the governing committee's report was the attitude the association should assume in connection with agents in excepted cities who now have or who hereafter may accept representation of free lance companies, thereby supplying unfair competition to organization members. The report affirmed that during the 54 years of associated effort the association companies had accumulated a mass of valuable data and formulated methods of business procedure, without which the orderly conduct of underwriting would be impossible. It had ever staunchly supported the American agency system and hence its membership could not view with other than disfavor the acceptance by agencies "of importance and magnitude" of the representation of non-affiliating institutions as well. In the light of the situation reviewed the committee asked whether the time was not at hand for the association to consider agency separation in the now expected centers. This question was provoked because of the activities of the Pearl of London.

### Ready to Classify

Should such radical departure from present policy meet general support the committee stands ready to undertake the necessary classification and likewise to formulate plans looking to safeguarding the business of member companies.

Following the presentation of the address of President W. D. Williams it was referred to the appropriate committee for review.

Subject to such change as circumstances may warrant in future, it was agreed that White Sulphur Springs, W. Va., and Manchester, Vt., be made the permanent meeting places of the association, the former in the spring and the latter in the fall of each year.

A cordial invitation for all members of the association to attend the forthcoming annual convention of the National Association of Insurance Agents in Chicago was received from the executives of the latter body.

Under an agreement effected between representatives of the three oil insurance groups, immediately operative, uniform schedules will be prepared and practices applied that are expected to end unsatisfactory conditions. While the business, with many plants shut

down or working part time, has not been unsatisfactory to the carriers of late, it is anticipated conditions would change under the new government regulations as to oil production and distribution. Aside from the Oil Insurance Association, the big writing offices of the line are the Simmons group, embracing the Atlas, Northern of London and the London and Yorkshire group.

C. R. Street, chairman subscribers actuarial committee at its meeting last night, announced that the masters decision in connection with the Missouri litigation in the federal court case was favorable to the companies.

Consideration of the important appraisal question was the first order of business at this morning's session.

### Auto Insurance Problem

Another important question to be threshed out is that affecting automobile insurance. While it is held improbable that complete autonomy by the association over the line in the west will be advocated or favored if proposed, the probabilities are that measures will be adopted to eliminate some, if not all, of the evils in connection with the conduct of the business through the Western Underwriters Association assuming some jurisdiction. Head office executives, it is felt would never sanction action threatening the integrity of the National Automobile Underwriters Association.

Because of the interest developed in connection with the appraisal issue and the time consumed in its consideration, opportunity was not offered yesterday for hearing reports of other than the governing committee and these were substituted today, making the session a prolonged one.

Authority was given the governing committee to negotiate with a view to assuming jurisdiction throughout its territory over the collateral lines of automobile, farm, hail, sprinkler leakage, riot and civil commotion and explosion.

It was further held that the separation move be applicable to metropolitan as well as smaller centers, the governing committee being directed to study the whole problem and report at the next meeting of the association.

### Agency Wanted

Connection desired with established Local Agency in city 20,000-70,000. Purpose to ultimately retire present owners. Four years suburban solicitation. One and one-half years home office training. Now employed. Under thirty, married, one child. Address X-54, The National Underwriter.

### Will Purchase Chicago General Agency

The undersigned has a client who desires to purchase either a Chicago fire general agency, a casualty general agency or one writing both fire and casualty insurance.

Buyer is in position to make a substantial cash payment. All replies will be held in the strictest confidence but must give full details.

Write or phone

**Arthur J. Utter**

**Certified Public Accountant**  
AZ142 Insurance Exchange Bldg.  
Chicago, Illinois.  
Wabash 9384

Audits      Investigations  
**FERGUSON, SERLING,  
DANIELS & PORTER**  
ACCOUNTANTS AND ACTUARIES  
102 Maiden Lane, New York, N. Y.  
Organization      Management



## THE ÆTNA PLAN . . . an insurance survey . . . *plus!*

ÆTNA agents find "The Ætna Plan" an ideal method of developing and holding business.



¶The Company provides its agents with special survey material, including a thoroughly practical, 232-page Ætna Plan manual. May we give you further information?

*"It pays to be an Ætna-izer"*

### THE ÆTNA CASUALTY & SURETY COMPANY

*affiliated with*

ÆTNA LIFE INSURANCE COMPANY—THE STANDARD FIRE INSURANCE COMPANY  
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT



## AS SEEN FROM CHICAGO

### AUTO COMMITTEE REPORTS

Five principal recommendations were included in the report of the mayor's committee of insurance men to study the automobile theft situation in Chicago, which is headed by F. J. Sauter.

The recommendations include strict enforcement of the ordinance prohibiting all night parking; an increase of 20 policemen to be placed on patrol duty

under the automobile theft detail at the detective bureau, and the equipment of this bureau with 20 new automobiles carrying radio and other police paraphernalia; extension of existing licensing statutes to include key cutters and locksmiths and to punish unauthorized persons who carry master keys.

Other recommendations were a discontinuance of cash payments by insurance companies to automobile owners

for rehabilitation of stripped machines and establishment by the insurance companies of one or more salvage bureaus and reduction of towing and storage rates for automobiles recovered by the police.

The mayor expressed opposition to the recommendation prohibiting all night parking. An unsuccessful attempt was made a year or so ago to enforce such an ordinance in Chicago.

\* \* \*

### FIRE PREVENTION FEATURES

A novel arrangement of the program of the annual safety congress and exposition at the Stevens Hotel, Chicago,

Oct. 2-6, will be ten so-called "subject sessions" to consider important and timely subjects of general interest to the delegates who will represent about 30 different specialized industries and groups promoting home safety, school safety, public safety and industrial safety.

These sessions will be so arranged as not to conflict with about 100 specialized sessions, with some 350 different speakers. One of these sessions, the afternoon of Oct. 5 will be devoted to "Fire Prevention," at which R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, will preside as chairman. Fred M. Higgins, chief fire prevention bureau, Grand Rapids (Mich.) fire department, will tell "How to Have a Fire in Industry." C. W. Smith, safety director Standard Oil Company of Indiana, will deal with "The Safe Storing and Handling of Flammable Liquids" (large quantities). H. M. Naylor, district manager Kansas Power & Light Company, Topeka, will demonstrate "The Hazard of Defective Fuses and Extension Cords."

Two other sessions especially pertain to fire prevention. Tuesday afternoon the safe use of chemicals in industry will be considered, as also the safe handling of acids and caustics in small quantities.

Wednesday afternoon a session on "Safe Use of Electricity in Industry" will be held. This will include portable electrical equipment; safety torches—their application, operation and maintenance; the use of low voltage in hazardous locations, and the physiological effect of electrical shock.

At the "home safety" session Friday morning, Mrs. Mary Koll Heiner, assistant professor department of home economics, University of Chicago, will discuss "Safety in the Kitchen," including a consideration of fire hazards.

\* \* \*

### CHANGES IN BOARD MEMBERSHIP

There have been a number of changes in the class 1 membership of the Chicago Board. The resignation of H. F. Brown of R. H. Gore & Co. has been accepted and the resignation of R. J. Burns of Burns & Burns has been received. M. S. Pfaelzer of L. C. Rollo & Co. has been elected a new class 1 member.

\* \* \*

### HOLTZMAN WILL LECTURE

A. M. Holtzman, director of field service of the Continental Casualty at its head office, will give a talk under the auspices of the Chicago branch office in the Insurance Exchange auditorium Friday afternoon at 5 o'clock on accident and health insurance. J. C. Griswold, resident vice-president, will preside.

\* \* \*

### NEW CHICAGO BOOK OUT

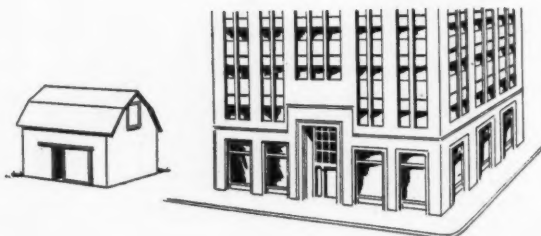
The 1933 edition of the Underwriters Handbook of Chicago is issued by THE NATIONAL UNDERWRITER. This is a comprehensive and interesting reference book giving full information as to Chicago and Cook County insurance-wise, dealing with all classes of companies, giving list of agents, brokers and all others associated with the business. It is a handy book packed full of insurance information that people desire to possess. There are 400 pages of data on insurance. Chicago assumes large proportions insurance-wise and this annual reference book reflects the magnitude of the business in that great center.

\* \* \*

### REPORTING DELINQUENTS

There is considerable interest among class 1 agents of the Chicago Board as to just what their function will be with regard to the instructions from the Illinois insurance department requiring companies to file lists of delinquent agents and brokers as of Oct. 1. The department in its instructions to companies demanded a list of all who owed balances longer than 90 days old. The question arises as to the Cook county managers and general agents that super-

## FOUNDED WHEN AMERICA'S MAIN INTEREST WAS FARMING



### AGRICULTURAL POLICIES HAVE MET ALL PROPERTY INSURANCE NEEDS

80 years ago, when most American business and livelihood depended on farming, this company was organized to supply much needed insurance to the people of one farm county.

Just as American business has developed in many directions, so the Agricultural has broadened its activities to provide complete property insurance coverage for both industry and the home.

In the early years, built-up communities . . . and whatever industry they contained . . . were serious hazards. Today, modern construction and modern fire fighting apparatus put those communities in "protected classes" and hence make them more insurable.

For four score years, the Agricultural

has been alert to see new needs . . . to issue new contracts for the hazards that followed new inventions. Our representatives are located throughout this country and abroad—to personalize our service to local agents or policyholders.

If you are considering the addition of another strong company, we seek an opportunity for a special representative to tell you our story. Your own bank can give you the facts of our financial standing . . . which is proof of generations of sound management. We want to present evidence of our standing with agents and their customers . . . as an indication of our constant effort for prompt, efficient service.

*Won't you write us?*

**Agricultural**  
Insurance Company  
of Watertown, N.Y.

*offering all types of property insurance for industry or the home.*



wise class 2 agents. Primarily the companies are asked to make the report. Therefore, it would seem to be the duty of the companies to secure delinquent lists from their supervising men of Cook county, whether they be class 1 agents or managers. Many of these, however, have received no instructions whatever. Then again comes the function of reporting delinquent brokers. This, too, so far as the instructions are concerned was put up to the companies, although the companies themselves at their head or general offices may not know with what brokers their people in Chicago are dealing. Undoubtedly an appeal will be made to the insurance department to clarify the instructions so that the class 1 agents and Cook County managers may know whether they are to be required to file a list of their delinquents or whether this must be done by the companies direct.

#### OPENS CHICAGO OFFICE

The Underwriters Acceptance Corporation with head office in the David Stott building, Detroit, has opened its Chicago office at 494-208 South La Salle street, with Gordon McCollum, manager. Mr. McCollum comes from an insurance family. His father was with Marsh & McLennan for a number of years and is now with the S. T. Chase general agency of the Connecticut Mutual Life in Chicago.

The Underwriters Acceptance Corporation finances insurance premiums only. It has no connections outside of insurance. C. S. Fitzpatrick is president. He and his associates made a thorough study of premium financing and with the launching of the U. A. C. last year put into effect a plan agreed upon after consultation with insurance agents and executives. On annual premiums 20 percent of the total premium is paid at once. Then a note is given for 80 percent of the total premium in eight monthly instalments. The service charge is 5 percent of the amount of the note, the minimum being \$4. For term business the down payment is 10 percent of the total premium and the note is 90 percent. The down payment is retained by the writing agent.

The U. A. C. has endeavored to work out a practical and sound method for the agent to get his business on a cash basis and yet follow a practice that is not opposed by insurance companies. So far the Underwriters Acceptance Corporation is operating only in the central states such as Illinois, Wisconsin, Michigan, Iowa and Indiana.

#### WESTERN BUREAU MEETING

The board of directors of the Western Insurance Bureau will meet Friday of this week, when the time and place for the fall meeting will be determined.

#### HOWD WITH KEMPER OFFICE

R. B. Howd has been made office manager at the head office of the James S. Kemper companies in Chicago. He was associated with G. G. Madan & Co. of Detroit as manager for the receiver of the Republic Automobile and Central West Casualty. He was formerly in the field for the Atlas Assurance and later was connected with the Millers Mutual Fire of Alton. He has been in the business for 25 years.

#### Appeal Clark Salary Case

DES MOINES, Sept. 20.—Chief Justice Albert of the Iowa supreme court has granted a stay order on a district court writ of mandamus directing the state comptroller to pay the salary of Commissioner E. W. Clark. The stay will be in effect pending submission of the case to the high court on appeal of the comptroller who lost his action in the district court.

Delbert Ellison has opened a new agency at 3 Bank street, LeRoy, N. Y. He has been with the State Bank of Pavilion, N. Y.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### INSURANCE IN NRA PARADE

The holiday spirit pervaded the insurance district in New York City, Wednesday of last week, the flag waving proudly from every company building while from several, special banners were displayed as well, attesting the determination to loyally support the federal administration in its effort to improve employment conditions. Life,

fire, casualty and marine companies, as well as agency and brokerage offices all contributed their full quota of participants to the monster parade held in the afternoon. The day having been declared a partial legal holiday by Governor Lehman, insurance offices all closed at noon, their employes hurrying to take assigned places in the marching ranks. The parade, the most

notable in the history of the metropolis, embraced workers in every division of industry, the number contributed by insurance interests ranking well among the leaders.

\* \* \*

### BROOKLYN PREMIUMS GIVEN

Brooklyn premiums for the first six months were \$4,645,494, compared with \$5,235,764 for 1932, a decrease of 13 percent. For the first half of 1931 the premiums were \$6,228,578 and for 1930, \$6,490,335. The combined fire premiums for Manhattan, Bronx and Brooklyn for the first half of this year show a decrease of 15 percent. They amounted

## FIRE TORNADO AUTOMOBILE

Representative of the sturdy pioneer days of the nineteenth century, and of the modern, progressive times of the twentieth, the Ohio Farmers Insurance Company provides all that is best in insurance protection.

### PROTECTION



SINCE 1848

Since its organization in 1848 the Company has improved and advanced various lines of property coverage until it provides nearly a score kinds of insurance protection.



OHIO FARMERS  
INSURANCE CO. - LEROY, O.

to \$14,436,187. Taking Long Island City and the American Dock Stores the total premiums for the entire city for the first six months were \$14,792,747 as compared with \$17,012,238 the first half of last year. The following show the main companies in Brooklyn business for the first six months:

	1933	1932	1931
Aetna .....	\$120,079	\$110,409	\$124,136
American Eagle .....	65,003	76,947	113,535
Automobile .....	75,493	72,901	66,165
Continental .....	114,812	117,717	160,791
Firemen's .....	87,625	59,805	67,872
Great American .....	150,655	137,875	203,844
Hartford Fire .....	133,985	117,261	126,575
Home .....	194,884	186,646	202,785
Ins. Co. of N. A. .....	91,862	82,516	78,411
Liv. & L. & G. .....	117,132	104,041	105,623
London & Lanc. .....	62,510	47,081	42,164
National Liberty .....	95,060	98,817	106,797
Nat. of Hartford .....	87,933	95,293	136,654
Niagara Fire .....	82,021	88,093	90,489
No. Brit. & Mer. .....	60,910	87,324	103,106
Phoenix, Lon. ....	72,701	52,368	59,719
Royal .....	81,472	84,632	136,405
St. Paul F. & M. ....	56,516	37,850	32,013
Star .....	70,737	30,570	30,716

The groups run as follows: Home, \$479,470, as compared with \$523,288 last year; America Fore, \$386,786 as compared with \$434,029; Royal-L. & L. & G., \$376,685, as compared with \$334,945; Firemen's of Newark, \$245,993, as compared with \$195,023; Hartford Fire, \$217,232, compared with \$219,018; Great American, \$202,958, as compared with \$190,541; North America \$167,824, as compared with \$134,287; Aetna, \$142,-

049, as compared with \$127,081; No. B. & M. \$136,311, as compared with \$190,447; Phoenix of London, \$114,278, as compared with \$105,538; London & Lancashire, \$112,164, as compared with \$97,027; Corroon & Reynolds, \$106,647, as compared with \$91,360; National of Hartford, \$106,693, as compared with \$126,829; Crum & Forster, \$105,068, as compared with \$338,793; Commercial Union, \$101,075, as compared with \$113,727. The rest of the groups were less than \$100,000.

#### BITTERS TO NEW YORK

Arthur Bitters, who has been with the American Central in St. Louis for a number of years, has been transferred to New York as assistant to the superintendent of the brokerage and general risk department of the Commercial Union group. He was presented with an engraved cigar lighter by the St. Louis court of Cats Meow on his departure from that city.

#### IMPROVEMENT IS NOTED

The Central Bureau of New York City reports a material improvement in unpaid earned premiums on fire and casualty business in the city during April. The combined unpaid earned premiums on fire and casualty business was \$188,128, a decrease of \$6,898 from

## NEWS OF FIELD MEN

### White with National Union

**Will Travel in Georgia and Alabama—  
Was Formerly Globe & Rutgers  
Virginia State Agent**

President J. M. Thomas announces the appointment of J. Hunter White, who recently resigned as state agent of the Globe & Rutgers in Virginia, as state agent for the National Union Fire, to supervise Georgia and Alabama, succeeding J. P. Orme, resigned. Mr. White has for the past four years traveled in Virginia, but had previously traveled Alabama, as well as other southern states. He will make headquarters at Atlanta, and will be assisted by Special Agent S. D. Daniell, whose headquarters will be removed from Birmingham to Atlanta in the near future.

April of last year. The fire unpaid unearned premiums were \$37,846, a decrease of \$3,795. The casualty was \$150,281, decrease \$3,103.

### Ohio Field Men Groups Elect

**H. L. Newton Heads Bureau Organization—Gibson Is President of Automobile Underwriters Club**

The Ohio Association of Fire Underwriters (Bureau) has chosen H. L. Newton, Monarch, president; Carl Roggenkamp, Security of Iowa, vice-president, and W. C. Howe, Milwaukee Mechanics, secretary-treasurer. Executive committeemen are W. W. Waters, Ohio Farmers; A. A. Beckert, Standard of New Jersey, and John Thompson, Millers National.

The Automobile Underwriters Club of Ohio has elected A. R. Gibson, Hanover, president; William Egel, Yorkshire, vice-president, and reelected Earl A. Reid, London Assurance, secretary-treasurer.

### Transfers Are Completed

The transfer of N. Dekker from Kansas to Minnesota and W. F. Ehret from Oklahoma to Kansas by the America Fore has now been completed. Mr. Ehret is now stationed at Wichita and Mr. Dekker at Minneapolis.

Mr. Dekker has been connected with the America Fore for 17 years, having started in its western department office and then traveling in Minnesota before being assigned to Kansas. In going to Minnesota he is therefore returning to a familiar field. He succeeds Otto L. Danek, resigned.

Mr. Ehret is an old Niagara man, having traveled in Missouri for that company. Since the Niagara has been a member of the America Fore group, he has traveled for the America Fore in Oklahoma with headquarters at Tulsa.

### Name Iowa Regional Supervisors

Fred E. Brake, Aetna Fire, president Iowa Fire Prevention Association, has appointed eight regional supervisors in addition to the usual committees.

J. W. Strohm, state fire marshal, will have charge of the prosecution of arson cases. Other committee chairmen are: S. J. McLaren, inspections; T. A. Hites, regional supervisors; A. A. Ingram, Mt. Ayr, farm fire prevention; L. N. Newendorp, inter-chamber fire waste contest; W. W. Suckow and C. D. Wadsworth, speakers' bureau.

Regional supervisors are: Northwest, Charles Cook, Fort Dodge, and C. J. Hershe, Des Moines; northeast, Frank Bagwell, Waterloo, and H. G. Zimmerman, Des Moines; southwest, John Schultz and L. A. White, Des Moines; southeast, John Hull, Ottumwa, and Ralph Martin, Des Moines.

### Will Inspect Salina, Kansas

The Kansas Fire Prevention Association will inspect Salina, probably Oct. 11, as a feature of Fire Prevention Week. The Local Board of Salina, under the direction of G. T. Fisher, president, is arranging with the chamber of commerce and the civic clubs to sponsor the work. W. C. Hodges, manager Kansas Inspection Bureau, Topeka, expects to secure a nationally prominent speaker.

### Hodges Kansas Pond Speaker

The Kansas Blue Goose luncheons at Topeka have been resumed. W. C. Hodges, manager Kansas Inspection Bureau, told of the code adopted by the National Board under the NRA. F. L. Britton, chairman entertainment committee, called attention to the picnic to be held Sept. 23 in connection with the Heart of America pond at Kansas City. W. E. Landers, Northwestern Fire &

There are lots of other  
good, sound companies, so

—Riddle Me This

BY THE FIRE COMPANIES OF  
THE AMERICAN GROUP

WHEN a number of Agents decide to take on our representation just so as to participate in our sales promotion facilities, don't you think we really have something different and worthwhile?

This recognition of our sales promotion service is becoming more and more common. As a matter of fact, not a single Agent who has visited our Sales Promotion Department, examined our plan, and looked over the hundreds of letters of appreciation we have on file from satisfied

users, has departed without agreeing to try it for himself.

Our Agency aids are not "boiler-plate"—they are personally adapted to the individual; they are not theoretical—they have been developed from experience gained in actual usage; they are not taken "on faith"—each user is shown how to check the actual dollars — and — cents return.

Are you fully equipped to take advantage of the up-swing? If not, we would like to hear from you.

THE AMERICAN OF NEWARK

THE COLUMBIA FIRE OF DAYTON

DIXIE FIRE OF GREENSBORO



Marine, presided. H. A. Sundberg, Minneapolis, state agent for the Hudson and Svea, and Arthur Johnson, Osage City local agent, were guests. Byron R. Ward will preside next week.

### May Form Cleveland Pond

At its first fall meeting Monday the Cleveland Field Club considered the idea of forming a Blue Goose pond there if conditions warrant. A committee composed of B. T. Duffy, Fred Wolfe, Fred Rice, Burt Evans and J. M. Shaw was appointed to investigate the possibilities and canvass the eligible men in Cuyahoga county.

A farewell party for V. W. Souders, who leaves soon for San Francisco, will be given Oct. 12. The club is also planning a Halloween party Oct. 28.

### Buetenbach Opens General Agency

Carl Buetenbach, Jr., Louisville, is establishing a fire company general agency, starting off with the Potomac and planning to add others. Mr. Buetenbach was Kentucky state agent for the National Union for four years and prior to that Indiana state agent for the National Liberty for a year. He also had ten years' local agency experience in Gary and South Bend, Ind., and a few months' experience in general agency work with the W. B. Respass agency, Lexington, Ky.

### General Agency for California

H. E. Pate, Oklahoma City, has relinquished the state agency of the California, a general agency having been established with C. C. McKnight, Enid, Okla.

### Blue Goose Tournament Started

The Oklahoma Blue Goose annual golf tournament started last week with about 35 entrants. The qualifying flights were played at Lakeside Country club, Oklahoma City, under direction of J. E. Wilkinson, state agent Trezevant & Cochran.

### Report on Grand Nest Meeting

Charles L. Barsotti, Fire Association, and G. N. Cusick of Rolph, Landis & Ellis, immediate past most loyal gander of the San Francisco Blue Goose, reported on the grand nest sessions at the first fall meeting of the San Francisco pond.

### Louisiana Pond's Splash

The Louisiana Blue Goose held its fall "splash" and initiation Sept. 16 at Charpoin beach, Covington, La. J. I. Wagner was chairman of the entertainment committee.

The "United States Review" of Philadelphia has issued the 1933 editions of the *Argus Comparative Chart*, one for the western, Pacific Coast and southern states and the other for the eastern, southeastern states and Canada. The cost is \$2 each in manila cover.

## Convention Dates

Sept. 20-22—National Association of Mutual Insurance Agents, Columbus, O.  
Sept. 25-27—Insurance Advertising Conference, Briarcliff, N. Y.  
Sept. 26-28—Casualty Conventions, White Sulphur Springs.  
Oct. 5-6—Pennsylvania Agents, Pittsburgh.  
Oct. 6-7—Michigan Agents, St. Joseph.  
Oct. 9—Indiana Agents, Gary.  
Oct. 9-12—National Association of Mutual Insurance Companies, Minneapolis.  
Oct. 11-13—National Association of Insurance Agents, Chicago.  
Oct. 16-18—Industrial Insurers Conference, French Lick Springs.  
Oct. 19-20—Kansas Agents, Hutchinson.  
Oct. 21—Utah Agents, Salt Lake City.  
Oct. 24-25—Wisconsin Agents, Fond du Lac.  
Nov. 7-9—California Agents, Pasadena.  
Dec. 5-6—Insurance Commissioners, New York.

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 18

Stock	Div. per	Par	Share	Bid	Asked
Aetna Cas. ....	10	1.60	53	55	
Aetna Fire ....	10	1.60	34	36	
Aetna Life ....	10	1.00	21	23	
Amer. Alliance ..	10	1.00	14	16	
American, N. J. ..	2.50	.50	7 1/2	8 1/4	
Amer. Surety ....	25	...	21	23	
Automobile, Conn.	10	1.40	21	23	
Boston ....	100	16.00	460	480	
Carolina ....	10	1.00	16	17	
City of N. Y. ....	100	7.50	137	142	
Conn. General ..	10	.80	33	35	
Continental As. ..	10	2.00	26	28	
Continental Cas. .	5	1.00	10	12	
Continental Ins. .	2.50	1.20	29	30	
Fidel-Phenix ...	2.50	1.20	30	31	
Fireman's Fund ..	5	3.00	54 1/2	56	
Fireman's F. Ind. .	5	...	19	22	
Firemen's ....	5	...	4 1/2	5 1/2	
Franklin Fire ....	5	1.00	17	18	
Glens Falls ....	10	1.60	28	30	
Great Amer. Ind. .	1	...	4	5 1/2	
Great American. .	5	1.00	16 1/2	18	
Hanover ....	10	1.60	26	28	
Harmonia ....	10	.50	17	19	
Hartford Fire ...	10	2.00	45	47	
Hartford St. B. ..	10	1.60	49	51	
Home, N. Y. ....	5	1.00	19	20	
Home F. & M. ....	10	2.00	24	28	
Ins. Co. of N. A. .	10	2.00	43	45	
Maryland Cas. ...	2	...	2 1/2	3	
Mass. Bonding ...	25	...	13	15	

Stock	Par	Div. per	Share	Bid	Asked
National Cas. ...	10	...	5	7	
National Fire ...	10	2.00	45	47	
National Liberty .	2	.10	4 1/4	5 1/4	
National Union ...	20	...	59	64	
New Amst. Cas. .	5	1.20	13	14	
New Brunswick. .	10	.50	16	18	
North River ....	2.50	.60	16	17	
N. W. National ...	25	.50	80	85	
Occidental ....	10	...	15	18	
Pacific Mutual ...	10	2.00	25 1/2	27 1/2	
Phoenix, Conn. ...	10	2.00	59	62	
Prov. Wash. ....	10	.80	23	25	
Sprgld. F. & M. ...	25	4.50	86	89	
St. Paul F. & M. .	25	6.00	137	140	
Sun Life ....	100	16.00	440	470	
Travelers ....	100	16.00	410	420	
U. S. Fire ....	4	1.20	30	32	
U. S. Fld. & G. ...	2	...	4	4 1/4	
Westchester ....	2.50	1.00	19	20	

### Birmingham Fire Shows Gains

BIRMINGHAM, ALA., Sept. 20.—The seven months ending July 31 were the best in the history of the Birmingham Fire, it was reported at a meeting of the executive committee. The financial statement as of July 31 showed assets \$1,007,570; net premiums written for the seven months \$207,323, compared with \$165,165 last year;

underwriting profit, \$32,684 compared with \$12,756; ratio of expenses incurred to net premiums written, 46.81 percent against 52.78 percent; losses incurred to net premiums written, 33.74 percent compared to 66.28 percent; underwriting profit, 21.66 percent as against 11.48 percent.

Secretary T. K. Byrne has also been elected vice-president in charge of underwriting.

### Fail to Act on Valuations

The sub-committee on valuations of the National Convention of Insurance Commissioners adjourned after meeting in New York without taking any action. Decision was reached to hold another meeting early in November and a third a little later that month. The members have decided in view of present uncertainties it is too early to decide upon a formula for 1933 valuations.

The compilation of the securities valuation book for 1933 statements has been assigned to Standard Statistics by the valuations committee.

R. J. Neckerman of the Neckerman Agency, Madison, Wis., is chairman of the Community Union campaign for that city, which is mobilizing to raise funds for charitable institutions during the coming winter.



A CENTURY OF PROGRESS...  
THE SUN, ELECTRICITY,  
THE MOON



## A Trip to Tomorrow

October 9th—Chicago Fair—National Convention. Make this pilgrimage into America's future, just to stretch your point-of-view.

The future is a hard thing to get at, and usually we have to reach it through the past. That's why Chicago has its Old Fort Dearborn, why The National Association of Insurance Agents has its 38th Anniversary, and the Camden Fire its proud memories of 1841.

But this Chicago trip helps you really touch the future. The "Century of Progress" will show you tomorrow's way of living. The Convention will let you discuss tomorrow's insurance needs. And this forward-looking fire company has prepared a very readable booklet, which speculates on tomorrow's wealth, tomorrow's safety, tomorrow's Camden Fire. We'll trade it for this coupon.

Write for this booklet.



### CAMDEN FIRE INSURANCE ASSOCIATION CAMDEN, NEW JERSEY

Send me your illustrated booklet called "An Envious Position in Insurance". I am particularly interested in the section *Where Will We Be Tomorrow?*

Name \_\_\_\_\_

Address \_\_\_\_\_

City & State \_\_\_\_\_

N-9



## R H O D E I S L A N D I N S U R A N C E C O M P A N Y

31 CANAL STREET  
PROVIDENCE, RHODE ISLAND

Statement July 1, 1933

### ASSETS

Stocks and Bonds.....	\$3,775,702.66
Cash in Banks.....	196,001.20
Agents Balances Outstanding.....	414,635.77
Accrued Interest and Other Assets.....	57,842.54
	<u>\$4,444,182.17</u>

### LIABILITIES

Reserve for Unearned Premiums.....	\$1,290,220.95
Losses in Course of Adjustment.....	156,758.00
Reserve for Taxes, Expenses, and all other Liabilities.....	556,028.43
Reserve for Contingencies.....	749,223.50
Capital Stock.....	\$1,000,000.00
Net Surplus beyond all Liabilities.....	691,951.29
Surplus to Policy Holders.....	1,691,951.29
	<u>\$4,444,182.17</u>

NOTE: Contingency Reserve fully adjusts as follows:—  
Bonds eligible are amortized, otherwise valued at Market.  
All stocks carried at actual Market Value.

Byron S. Watson, Chairman of The Board

Emil G. Pieper,  
President  
Tunis Johnson,  
Vice-President  
Richard P. Ketcham,  
Vice-President



Clifford E. Pieper,  
Secretary  
Jesse B. White,  
Secretary  
Benjamin M. Caruth,  
Secretary

*A strong, conservative New England Company*

The current Alliance national advertising advises home owners to see the Alliance Agent about the danger of insuring their property against fire only, and how to avoid it.



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SAN FRANCISCO  
231 Sansome Street

## Distinguished Speakers for Briarcliff Meet of I. A. C.

### CONSIDER PUBLIC RELATIONS

Well Known Men from Insurance and  
General Business to Talk—Lowell  
Thomas Secured

Important and interesting angles of the insurance business will be covered by a distinguished group of speakers at the Insurance Advertising Conference's meeting in Briarcliff, N. Y., next week. The following list of speakers and their subjects has been released by A. A. Fisk, advertising manager Prudential Life, who is chairman of the program committee:

Monday—"The Public Relations Needs of Insurance," E. L. Bernays, public relations counsel; "Spreading the Light," T. J. V. Cullen, editor the "Spectator;" "How Insurance Companies Can Advertise Profitably in National Magazines," F. J. Presbrey, chairman of the board, the Frank Presbrey Company; "Insurance Newspaper Publicity," W. S. Crawford, insurance editor New York "Journal of Commerce."

### Program in Tuesday Session

Tuesday—"How Legislation at Washington Is Affecting Advertising," P. W. West, general manager Association of National Advertisers. "The Value of Conservation Work and Its Relation to Insurance Advertising and Publicity," J. J. Hall, director street and highway safety, conservation department, National Bureau of Casualty & Surety Underwriters; "What the National Board of Fire Underwriters Is Doing for the Insurance Business Along Publicity Lines," A. Wilbur Nelson, assistant general manager National Board; "How the Underwriters Laboratories Serve Life, Fire and Casualty Companies," George Muldaur, special agent, Underwriters Laboratories; "How We Can Make It Easier for the Insurance Buyers," P. D. Betterley, assistant treasurer Graton & Knight Co. and vice-president American Management Association.

Lowell Thomas, noted explorer and lecturer will be the speaker at the annual dinner Monday night.

## Company Appraisal Project Is Hit by President Williams

(CONTINUED FROM PAGE 3)

agency, with institutions that contribute nothing to the business as a whole and by their actions admit their parasitic existence?

"Some may question the power of the Western Underwriters Association to undertake so large a program but it is my belief that this organization should be more concerned about being right and, if after full consideration they have determined that such a policy is right, there is no question as to the strength of the organization and its ability to carry it out.

### Involves Fundamental Question

"This is a subject which I hope will have a very generous discussion. It is important and involves a fundamental and very practical question and one that we are called upon to meet."

In his preface, Mr. Williams touched upon the question of the NRA and its relation to insurance. While insurance under previous court decisions is not commerce, Mr. Williams pointed out, it is generally believed that the powers conferred upon the President are sufficiently broad to enable him to take charge of or dictate the practices of any type of business, including insurance, if he considers it desirable for him to do so because the efforts of self-government on the part of the business itself have proved inadequate or in-

effective. Never therefore has it been so necessary that the business demonstrate its ability to govern and control its own practices, he said. "Particularly does this responsibility rest upon those of our membership who by virtue of their prominence and importance, their financial strength and unusual abilities, occupy a position of leadership whereby in precept and in practice they may lead the way in demonstrating that government of our business by our business is the best government, the most intelligent and the most effective. To them comes the greatest temptation to promote individual, personal or company interest at the expense of good practice and for them to fail to exercise the self-restraint necessary to uphold the standards casts a discouraging note upon the rank and file of the membership less fortunately circumstanced.

### Blighting Effects Seen

"Surely we have had sufficient experience with the blighting effects of state interference with the orderly procedure of our business, to impress upon us the vital need that by no failures on our part can we be charged with inability or ineptitude for the government of our own affairs."

Mr. Williams briefly took up the question of cigarette losses. Because of the recommendation of the National Board that scorch claims be no longer recognized and the general acceptance on the part of companies of that recommendation, and because of very favorable outcome thus far as a result of that action, the governing committee, he stated, is holding in abeyance its recommendation for an exclusion clause in the form attached to the policy.

Up to this time, he stated, because of the favorable results there seems to be no necessity for the use of the exclusion clause. In the summertime, however, most people are out of doors and cigarette losses are not as frequent as in the colder months. If it should then be demonstrated that the present method is not meeting the situation, the governing committee will again bring forward its views on the exclusion clause, he said.

Mr. Williams also mentioned the question of deferring loss payment for 60 days. He pointed out that with the inauguration of that practice losses have materially lessened. "To ascribe that condition entirely to this one cause would probably be an exaggeration," he said, "but it has undoubtedly had a very potent effect in eliminating a considerable amount of moral hazard and with the uncertain times which are ahead of us it is to be hoped that no change will be made in the present practice."

### Increased Insurance Needs

The Fidelity & Guaranty Fire has prepared a graphic chart showing the increases in values in several industries since Jan. 1 of this year, coupled with a showing that additional insurance is thereby needed. Agents report that use of the chart has resulted in causing many assureds to increase their lines. Building materials affecting dealer and property owner are shown to have increased from a unit cost of about \$3,000 in January to more than \$4,500 in June. Textiles affecting manufacturers and merchants increased from about \$3,500 to about \$5,700. Food affecting wholesaler and retailers increased from about \$4,000 to about \$5,200 and grain and feed affecting producer and warehouseman have increased from about \$3,200 to about \$4,900.

### Elliott G. Harper With Northern

The Northern of London has named Elliott G. Harper its Minnesota state agent with headquarters at Minneapolis. In past years he travelled the territory successively for the Atlas and for the Fire Association.

## Propose Statute to Protect Reserves

(CONTINUED FROM PAGE 3)

Plainfield; Warren county, A. B. Craig, Blairstown.

The report of the legislative committee was deemed so valuable that copies will be sent members to serve as a guide and to demonstrate to non-members the vast amount of work done by the organization in promoting helpful legislation and checking measures inimical to insurance.

The report of President A. V. Livingston was brief but comprehensive, touching on major problems of the association in the last six months. He expressed pride that despite unusual hardships confronting agency interests this year, the association maintained its integrity and could look with confidence to increased membership and more effective service in the near future.

One accomplishment, Chairman W. G. Hurtzig of the executive committee reported, was the publishing of a list of New Jersey brokers, with supplements from time to time.

### Oppose New Organization Plan

The effort of certain persons to form another insurance organization in the state was not supported by officers and executive committeemen of the agents' association, who contended there would be duplication of efforts, and instead of accomplishing anything constructive, would lessen the number of the New Jersey association's active members and make it impossible to carry on with as much purpose and force as at present.

The policy of inviting attendance at executive committee conferences of the 21 county chairmen of the state, Mr. Hurtzig held, was distinctly beneficial and will be continued.

Membership, Secretary-treasurer E. M. Schmuls reported, is 314; a slight reduction, yet satisfactory in view of conditions. The organization is in sound financial shape, with a substantial cash balance on hand after paying all obligations.

The legislative committee has been very active. There were 1,135 bills analyzed and reported on. None of ten measures enacted in the last session is detrimental to agency interests, Chairman H. L. Godshall stated.

### Opinion of 1906 Is Cited

Something of a stir was created when Mr. Hurtzig quoted an opinion by the attorney-general of New York in 1906, holding that unearned premiums in the hands of a company were trust funds and could not be used for general purposes. In the light of the collapse of several companies in the last year and the dissipation of their funds the quotation was considered highly important.

The attitude the association should take with respect to formulating a code binding upon members was discussed at a meeting of the executive committee and subsequently taken up in the general session. Decision was left to representatives delegated to attend the convention of the National Association of Insurance Agents in Chicago next month. G. W. Scott of the National association explained that while the National association filed a code with the NRA administration at Washington, it reserved the right to supplement or amend it later on, and with such purpose in mind had requested Administrator Johnson to defer the intended hearing until after the association's convention Oct. 11-13.

### Matter Up at Chicago

The matter of a code, it was pointed out, involves so many factors that its preparation called for more consideration than time permitted thus far. The subject will be one of the most important to come before the National association, and is sure to provoke animated discussion. The viewpoint of the New Jersey association will be set forth

by National Councillor Frederick Hickman.

L. A. Watson, expert of the schedule rating office of New Jersey, one of the guest speakers at the luncheon, took up the question of commissions.

Mr. Watson asked if there is any special reward for the agent who gives his best efforts in behalf of all his companies, carefully underwrites business, selects the best risks and rejects the poor ones, especially where there is moral hazard, measures lines in accordance with underwriting policies of companies and endeavors to make a profit for them; speaks well of them to his customers; spends time and money in an effort to create good-will; saves them from unfair legislation and takes an active interest in all public affairs which may result in benefit to the business.

He asked what incentive there is to side with the companies instead of the insured in settlement of unfair claims, to assist in educating the public that certain losses are not legal fire claims against companies, and to decline to press them. There is, of course, he said, no different scale of pay than for others totally indifferent to the companies' interests.

Mr. Watson asked if it is any won-

der that, in the past few years, there has been heard so much about agents who are no longer truly representing the companies' interests.

"Have not the companies contributed to this state of affairs by neglecting to recognize the fact that if the agent is to truly and properly represent them he should receive a reward for good results obtained?" Mr. Watson asked. "On the other hand it would seem that the agents themselves are not wholly blameless in the failure to reach such accord with their companies. Should not both companies and agents recognize the fact that in a very large measure they are, and must inevitably be, partners in the enterprise, and that an arrangement which permits agents to share in the fortunes of their companies does promote consciousness of this relation of partnership."

### Proposes Substitute Plan

"It does seem to me that if such a plan of reward could be substituted for the present uniform commission the business as a whole would be well served. There have been contingent commission agency contracts in the past, and you are probably all aware of the inherent faults which caused their abandonment; but there is a way

of eradicating these faults while retaining the principle of profit sharing commissions."

Mr. Watson suggested a moderate flat commission on all classes of business, which would simplify accounting and end all further controversies as to what rate of commission applies to this or that risk, he said; a contingent commission on an agency basis, not on a company basis; a central office to obtain necessary statistics for determining contingent, if any, due each agency; billing companies liable for the contingent commission, and distributing the same to the profitable agencies; no contingent to be paid while the agent is indebted to the companies for balances overdue.

### London Assurance Figures

The semi-annual statement of the London Assurance shows assets \$7,323,754 and policyholders' surplus \$3,162,687. The Manhattan F. & M. assets are \$2,637,281, capital \$1,000,000, net surplus \$907,818. The Union Fire of Paris has assets \$1,366,627 and surplus \$865,771. The London Assurance has 18.48 percent of its assets in stocks, the Manhattan 16.42 and the Union .6. The London has 63.44 in bonds, the Manhattan 72.9 and the Union 93.05.

# CONSERVATIVE

"—safe and sound  
your trust is"

THE adjective *conservative* as applied to an insurance company indicates most careful underwriting, soundest management, wise investment policies, and constant progress. The "Springfield Group" of fire insurance companies has, since its inception, been called conservative. They consider the insurance they write as a personal trust placed in them, and as such, keep it safe and sound. An analysis of the financial statement of the "Springfield Group" companies will show that they do merit the adjective conservative. If you would like to see to believe, write for the latest statement.

### THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

#### SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849

Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

Harding & Lininger, Mgrs., Chicago. John C. Dornin, Mgr., San Francisco. W. E. Findley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance



## THE NATIONAL UNDERWRITER

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## Taxation Now a Live Subject

INSURANCE companies within recent years have felt that there was no prospect of securing any reduction in taxes levied on them and the best that they could expect was therefore to check any further inroad in this direction. Inasmuch, however, as all tax levying governments from federal clear down to school, park or irrigation districts etc., are pressed for funds and are seeking new sources of revenue, insurance cannot lay unction to its soul that no attempt will be made to secure more from it. As a matter of fact, some of the attempts are bold beyond all reason.

For instance, in New York City there is a proposal to levy a tax of one-quarter of 1 percent on a portion of the capital investment and gross assets of life and fire companies as a part of the city's emergency tax program. In Philadelphia the city council has before it a proposition to tax the assets of Philadelphia mutual life companies. Both the New York City and Philadelphia propositions are practically confiscatory. It is strange indeed that a city like Philadelphia would place such a burden on its own institutions that mean so much in the development of its prosperity. This is striking at one's best friends. These Philadelphia institutions are

known far and wide. They constitute some of the great life insurance companies of the country. Any city would be proud to have anyone of them within its midst.

In the New York City action the burden is placed on companies operating within the city limits. The retaliatory law naturally would be brought into play against New York companies in other states. Therefore the New York companies would be penalized everywhere. It would add greatly to their expense of conducting their business. In the presentation of the case for life insurance the attorneys stressed the fact that this was a further levy on thrift and savings. The New York life companies operating in New York City would be subject to the same retaliatory provisions as the fire companies.

These two cases merely illustrate the fact that for purposes of securing revenue tax levying bodies are willing to go to any extreme. When it comes to a point where a city voluntarily throws an immense burden on its own institutions and puts on their shoulders a load that causes a tremendous strain it is apparent that everybody in insurance must be alert to protect it against snipers. The tax question looms up as one of the most important in the business.

## Inspiration from a Great Achievement

INSURANCE men like others who have visited the CENTURY OF PROGRESS EXPOSITION in Chicago are impressed with the scope, magnitude, and excellence of the entire enterprise. One cannot be an observer of the exhibits and demonstrations in the major buildings without being enthralled at the progress that has been made in so many different lines. Back of it all there are fundamental, unchangeable forces. But human life, its needs, customs and demands are in a state of flux.

This magnificent exposition was promoted and maintained in spite of the economic depression, the withdrawal of many promises of financial aid and the herculean task of keeping up the spirit of those engaged in it even in the face

of almost superhuman obstacles. There has been no aid given by the nation, state, city or any public institution. Yet confronted with all these discouraging features, Chicago went ahead and produced this great spectacle. It is an inspiration to feel that in spite of all discouragements and seemingly insuperable barriers this glorious spectacle has arisen. This fact alone makes it a lesson to us all.

Much can be learned from the postage stamp. If it is applied as it should be it sticks to the envelope or wrapper until it is delivered. It does not neglect its subject or wander far from the field. It sees to it that the message is delivered as promptly as possible.

## PERSONAL SIDE OF BUSINESS

A heart attack caused the sudden death of C. W. Carroll, vice-president of James F. Murphy & Co., Niagara Falls, N. Y., Sept. 17. He became a member of the firm 38 years ago.

E. L. Mulvehill, treasurer of the American Reserve and of the Lincoln Fire, is taking a trip through the west, visiting Cleveland, Toledo and Chicago on business. On his way back to New York he is stopping at Louisville to visit Vincent Mulvehill, his brother, who is attached to the Corroon & Reynolds organization there.

A party was given at the Cloverbrook Country Club in Cincinnati last week for J. P. Heister of the Heister-Mullen-Murphy Agency in honor of his 75th anniversary. Mr. Heister has been associated with the firm since it was incorporated. He is a native of Cincinnati. He entered the insurance business in 1899.

The rates and forms committee of the Farm Underwriters Association held its last meeting at the lodge of its chairman, Ira D. Goss, farm manager America Fore, on the Tippecanoe river in northern Indiana. The members devoted the mornings to business and the afternoons to golf and fishing. Those on hand were L. G. Warder, Hartford; Fred C. Snapp, Aetna Fire; C. E. Parks, National; E. H. Born, Western Underwriters Association, and F. H. Cornell, Home.

George Jordan, marine secretary at the home office of the Fireman's Fund, is en route to Hawaii on the "President Roosevelt" on a combined business and pleasure trip.

Ernest Sturm, chairman of the America Fore companies, accompanied by his 15 year old son, Kenneth Sturm, spent a few days in Chicago visiting the world's fair.

Paul F. Robertson, recently with the American Foreign Insurance Association in Shanghai, China, is opening a local agency in Augusta, Ga. He formerly served as state agent in North Carolina for the Aetna group and the Firemen's.

Insurance Director Ernest Palmer of Illinois, who has maintained his residence at Evanston, Ill., finds it inconvenient getting back and forth. Therefore he is locating at 1306 Bates avenue, Springfield, in the Oak Knolls district. Mr. Palmer intends to visit the Chicago office in the Insurance Exchange from time to time, getting up on the average of once a week.

Ernest Palmer, Jr., Mr. Palmer's oldest son, is a sophomore at Amherst. Bradley Palmer, the second son, is attending Lake Forest (Ill.) Academy, of which his father is a trustee. The Palmer home at Evanston has been rented and Mrs. Palmer this week accompanied the lares and penates to Springfield.

W. Morgan Garrott of Memphis, who is president of the Memphis Insurance Exchange and the new executive vice-president of the Tennessee Association of Insurance Agents, came into prominence when the state association met in Memphis in 1930. At that time a local group produced a playlet "Mr. Porter from Podunk." He is the author and was the chief actor in this play. It depicts the vicissitudes of the local stock company agent. It was repeated by request at the mid-year conference of the National Association of Insurance Agents at Nashville the following year. Mr. Garrott has a fine sense of humor and this playlet brought out some interesting material. He is chairman of the fire prevention committee of the safety

division of the Memphis chamber of commerce and a member of the safety committee of the Memphis Insurance Club, which is sponsoring automobile accident prevention work. He is a native of Mississippi but has been engaged in the insurance business in Memphis for some 13 years. He is vice-president of the Memphis Insurance Club. Last year he was a member of the executive committee of the Tennessee Association of Insurance Agents.

Albert Koch, 56, prominent in Seattle insurance circles for the past 40 years, died at his home there from a heart attack. He was with the E. A. Strout Company agency 37 years and established the firm of Albert Koch & Son last May. His son Frederick will continue the business.

Lee Herdman, Nebraska insurance director, is back in his office after four months' absence on account of illness, with a warning from his doctor that he must limit his activities materially. Mr. Herdman underwent three operations, followed by pneumonia and several heart attacks.

W. H. Riker, assistant western manager of the North America, is bereaved by the death of his mother, Mrs. Frances Simrall Riker, who had resided in Mr. Riker's home in Oak Park, Ill. She was 78 years of age. Funeral services were held at Harrodsburg, Ky., her old home.

Mr. Riker had planned to attend the meeting of the Western Underwriters Association at Saranac Inn, New York, but was unable to go because of his mother's death.

W. P. Huffman, state agent of the National of Hartford, Louisville, after a month's illness of gripe and loss of 20 pounds, expects to be able to start traveling again shortly. He is now at his office for short periods daily.

W. A. Quigley, 54, special agent for the Royal for Massachusetts and Rhode Island, died at his home in Newtonville, Mass. He was with the County Fire as special agent in Boston for some years and then went to Manchester, N. H., when the company was taken over by the New Hampshire Fire. Later he was in the field for the Continental and went with the Royal 12 years ago. He had been a member of the New England Insurance Exchange since 1918.

Frank Peterson, treasurer of the F. D. Hirschberg & Co. agency, St. Louis, was taken to a hospital there Friday for a minor operation.

Henry T. Drake, one of the pioneer insurance men of Minnesota, died Sept. 15 at the age of 75. He was one of the founders of the National Livestock of St. Paul and was long associated with the St. Paul Fire & Marine part of the time as a director. A son, H. T. Drake, Jr., is an assistant secretary of the St. Paul.

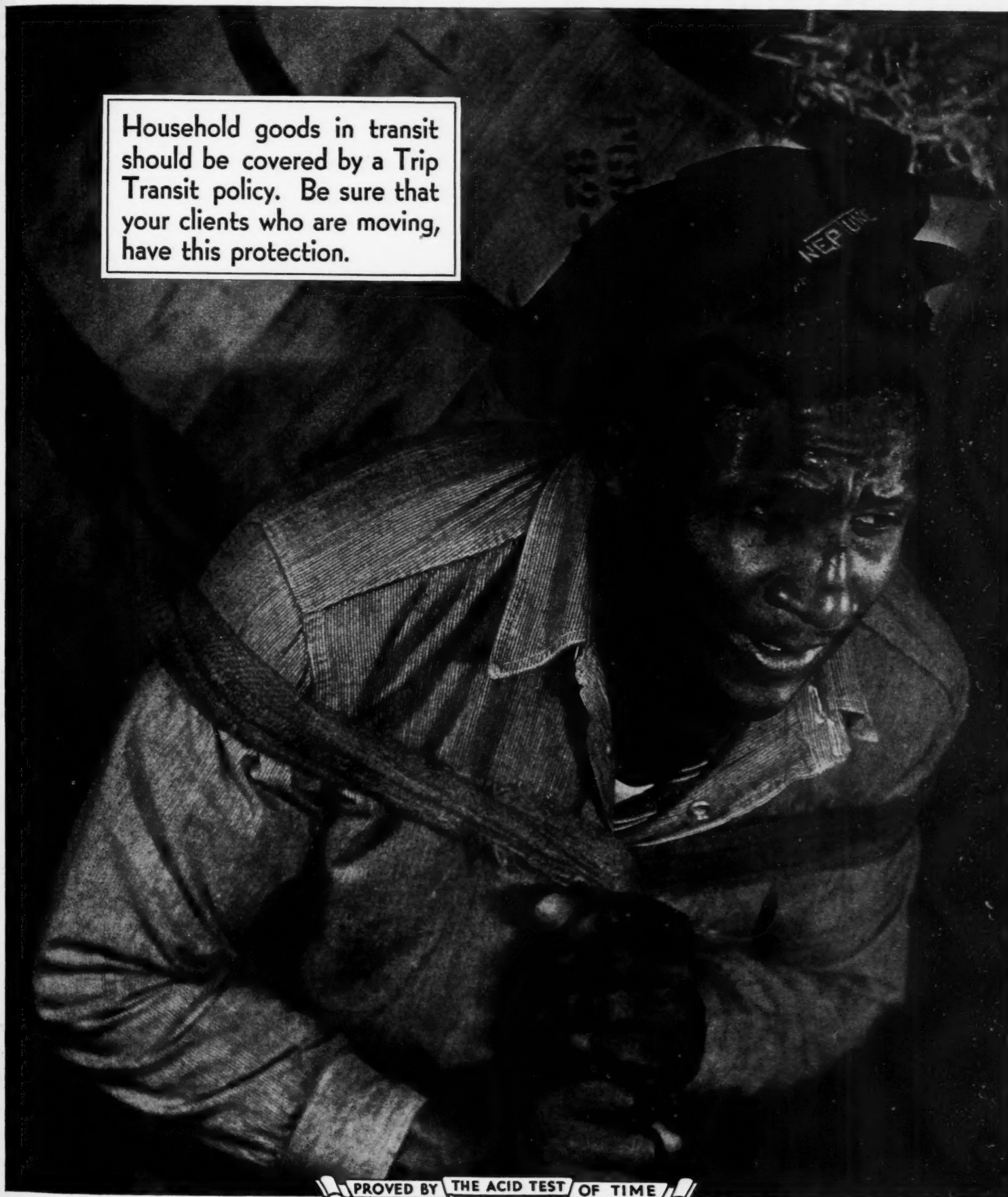
Funeral services were held Monday for W. C. Uhri, 79, former president of the Washington Mutual Fire of St. Louis. Complications resulting from a fall last June, when he broke his left hip, caused his death.

H. M. Gardiner, one of the class 1 agents of Chicago, and formerly a member of the firm of Parker, Aleshire & Gardiner died last week at the Evanston hospital, Evanston, Ill., following an operation. He had been conducting his business under his own name since November, 1925.

F. W. Shiner of Wheeling, W. Va., state agent for the Springfield F. & M., is in Chicago visiting the world fair.



Household goods in transit should be covered by a Trip Transit policy. Be sure that your clients who are moving, have this protection.



PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Board  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Harrington Is Kansas Speaker

Former National President to Talk to Agents at Annual Meeting in Hutchinson

TOPEKA, KAN., Sept. 20.—Holmes Meade, president of the Kansas Association of Insurance Agents, has received word that W. E. Harrington, Atlanta, Ga., past president of the National Association of Insurance Agents, will be the principal speaker at the annual meeting of the Kansas agents in Hutchinson, Oct. 19-20.

A bulletin has been sent to all Kansas agents informing them of the meeting and asking for a large attendance. It is expected that there will be a large gathering, as Hutchinson is easily reached by the agents out over the state and the previous meetings held there have been well attended.

There will be a get-together the evening of Oct. 18. The business session on Oct. 19 will be called to order by President Holmes Meade. There will be a banquet that evening. The next morning session will start with breakfast conference followed by a business session and election of officers. The afternoon will be devoted to a golf tournament.

### Agents of Indiana to Hold Convention at Gary Oct. 9

The annual meeting of the Indiana Association of Insurance Agents will be held at the Gary Hotel in Gary, Oct. 9. President Fred H. Jannasch announces there will be a number of short talks by some of "the best men in the business." It is expected that a large number of those who attend will go that night to Chicago to be present at the opening sessions of the annual convention of the National Association of Insurance Agents Tuesday morning.

A. M. Holtzman, director of field service of the Continental Casualty accident and health department, will be one of the speakers.

### Drafting New Policy

The Wisconsin department is now at work preparing the new form of policy required in connection with the recodification of the insurance laws of that state passed at the last session of the legislature. The expectation is that when the new policy is drafted a copy will be bulletined by the National Board.

The companies are given until January, 1935, to use their old policies, with the understanding that in the event of loss, settlement will be made in accordance with the statutory contract.

### Big Roundup at Hammond

Nearly 100 agents from the Calumet region, company officials, field men and others in the business participated in the roundup staged by the Hammond Insurance Agents Association at the Woodmar Country Club in Hammond, Ind. Commissioner McLain of Indiana was a special guest and was the principal speaker at the banquet. Other speakers were Mayor Charles Schonert of Hammond, T. J. Houston of Chicago, former Illinois insurance commissioner, and Howard J. Gescheidler, well known local agent of Hammond.

Among the company officials on hand were H. W. La Rue, secretary, and C.

J. Lingenfelder, agency superintendent America Fore; John Rygel, superintendent of agents, Hanover; E. F. Schneider, assistant Chicago manager North British & Mercantile, and G. W. Funk, Great American.

T. R. Dungan, Fidelity-Phenix, won first prize at golf; Forrest Dukes, Fire Association second, and Mr. Rygel, third.

### Kansas City's Loss Record

Kansas City, Mo., fire loss for August was \$25,289, the lowest of any month since September 1920. For the eight months of this year the total losses were \$527,906 as compared with \$1,338,400 for the same period last year, a decrease of 60 percent.

### Can Assess for Reinsurance

MADISON, WIS., Sept. 20.—A ruling given by the attorney general to Commissioner Mortensen holds that a town mutual which is a member of a reinsurance company has power to levy assessments on its policyholders to pay assessments made on it by the reinsurance company. A town mutual has no power to borrow for such purposes.

### Eglof Speaks in Detroit

DETROIT, Sept. 20.—J. H. Eglof, supervisor of agency field service for the Travelers and expert on automobile responsibility laws, will be the featured speaker at the meeting of the Detroit Association of Insurance Agents Sept. 22, the first since the bank moratorium in February. Mr. Eglof will discuss the features of the Michigan auto responsibility law, which goes into effect Oct. 16.

### Department Closed Saturday

LANSING, MICH., Sept. 20.—The entire state capitol force has been placed on a five-day week NRA basis by the state administrative board and the insurance department, along with other state bureaus, will henceforth close all day Saturday rather than at noon as in the past.

### Plan Cats Meow Boat Trip

ST. LOUIS, Sept. 20.—The St. Louis Court of Cats Meow has made tentative arrangements for the annual family week-end boat excursion on the Mississippi river. Present plans are to leave St. Louis about 2 p. m. Oct. 21 and return on the morning of Oct. 23. If water conditions permit this year's excursion will be to Hannibal, Mo., famous as the boyhood home of Mark Twain. Otherwise they will go down stream to Cape Girardeau, Mo.

### Motor Administrator to Speak

Louis Morony, administrator of the motor vehicle financial responsibility act in the secretary of state's office, will address the annual convention of the Michigan Association of Insurance Agents in St. Joseph Oct. 6-7. He will discuss the financial responsibility law which goes into effect there Oct. 16, and will compare it with similar laws in force in other states.

### Cassell Wins Again

J. Lewis Cassell, Illinois state agent for the London, for the second year won the golf prize at the outing of the Quincy, Ill., board. Other winners were L. N. Davis, North America, lowest net score; F. W. Engle, Great American,

highest score for 18 holes; A. L. Rathslag, Fire Association, highest number of strokes; Frank D. Payne, National, the most fours. Prizes were awarded by McCullough Winters. V. G. Muselman was toastmaster.

Later in the evening, the insurance people participated in a street dance.

### N. F. P. A. Hits "False Economy"

ST. PAUL, Sept. 20.—Elimination of St. Paul's fire prevention bureau was termed the "falsest of false economy" in a letter from the National Fire Protection Association to the city council. The letter was prompted by the omission of funds in the city budget for next year to take care of fire prevention work.

J. H. McDonald, public safety commissioner, who presented the matter at a council meeting, said that there will be an automatic increase in insurance rates if the bureau is discontinued.

Percy Bugbee, assistant managing director of the National Fire Protection Association, said in his letter that other cities which had planned to drop their fire prevention bureaus had changed their minds.

### Test Ban on Cleaner

ST. PAUL, Sept. 20.—Whether the insurance department can prevent the use of a dry cleaning material which it claims is inflammable will be tested in the courts.

G. R. Quickert and J. E. Lobdell, promoters of a dry cleaning liquid, have asked the court to restrain Commissioner Brown, who is ex-officio fire marshal, from interfering with the sale of their product.

Some weeks ago the liquid was tested out by deputy fire marshals, who decided it was unsafe to use and forbade its sale. The present action is to test their authority.

### Mutual Managers Meet

JANESVILLE, WIS., Sept. 20.—The Wisconsin Mutual Managers Club, composed of secretaries of mutual companies of the state, met at the office of George A. Jacobs, president of the Wisconsin State Association of Mutual

Insurance Companies, who is secretary of both the Citizens Mutual Fire and the Dairymen's Mutual of Janesville.

### St. Paul Officers Reelected

ST. PAUL, Sept. 20.—At the annual meeting of the Insurance Exchange of St. Paul all officers were reelected: John P. McGee, president; Glen A. Morton, vice-president, and W. S. Gilliam, secretary-treasurer. R. J. Lilly and S. C. Aldridge were renamed to the executive committee while Cecil Read is a new member. The meeting was one of the largest the exchange ever has held.

### Kansas City Agencies Combine

KANSAS CITY, MO., Sept. 20.—The Gateway Insurance Agency and the General Insurance Agency will combine Oct. 1. The General will retain its own individuality and its entire organization will remain intact.

The combined agencies are taking over the entire building at 1820 Main Street, present home of the Gateway agency, which will probably be renamed the Gateway-General insurance building. Officers of the agencies remain the same. Louis Lowenstein is president of the General; Al Haas secretary-treasurer; R. C. Coleman, Judd Biddle and Herb Sachs, vice-presidents. Charles Haake is owner of the Gateway. Roy Hesse, who has been with the Gateway for some time, will be office supervisor.

### O. K. Trustee's Husband as Agent

COLUMBUS, Sept. 20.—Attorney General Brucker of Ohio holds the husband of a trustee of a county children's home may sell fire insurance for the home. He says this does not violate the Ohio law that a person holding an office of trust or profit may not be interested in a contract for the political subdivision or institution with which he is connected. He said the relationship of husband and wife alone does not create an interest of either in contracts made by the other.

M. H. McNally & Co. have opened an office in the Bank of Wisconsin building, Madison, Wis. The partners are M. H. McNally, president, and C. E. Hohn, manager.

## IN THE SOUTHERN STATES

### Floyd West in the Clear

Dallas General Agency Assisted in Straightening Out the San Antonio Non-Board Situation

In a recent issue it was stated that the Texas Association of Insurance Agents at its annual meeting at Corpus Christi adopted a resolution directed at Floyd West & Co., Dallas general agents, where the firm was supposed to be out of line in not having its local agents in San Antonio in the local board. The resolution in Corpus Christi was a general one applicable to any company, group or general agency and had no reference to Floyd West & Co. Floyd West & Co. had local agents at San Antonio that were not members of the San Antonio Insurance Exchange. The officers through the state secretary took up the matter with Floyd West & Co. and that firm was endeavoring to get its agents in line when the injunction suit against the exchange and the West firm was brought. The resolution passed at the state meeting did not originate with the San Antonio delegation. The San Antonio people supported it on its merits.

Secretary F. F. Ludolph of the San Antonio Insurance Exchange states that its officers will be pleased to convey to other local boards in Texas the methods used at San Antonio to bring about a compliance with the rules and the satisfactory adjustment of the injunction suit. Secretary Ludolph said that Floyd West & Co. played fair in every particular and when the matter was brought to Mr. West's attention he immediately got busy. Floyd West & Co. are general agents of the Anchor, Fulton Fire, Guaranty Underwriters, Hanover Fire, Homeland, Merchants & Manufacturers Fire, Mercury, New York Equitable Underwriters, Northwestern Fire & Marine and Tokio.

### SAN ANTONIO TROUBLE SETTLED

SAN ANTONIO, TEX., Sept. 20.—At a conference here an agreement was reached whereby the Bexar County Insurance Association merged with the San Antonio Insurance Exchange, and the members of the Bexar county group filed application for membership in the San Antonio Exchange, which was accepted. Attorneys for the agents, members of the Bexar County Insurance As-



# LOYALTY GROUP

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board  
 HENRY M. GRATZ, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board  
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.  
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President  
 NEAL BASSETT, Vice President  
 UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President  
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.  
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.  
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

## MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board  
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

## THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board  
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President  
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

## COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

**WESTERN DEPARTMENT**  
 844 Rush Street, Chicago, Illinois  
 HERBERT A. CLARK, Vice President  
 H. R. M. SMITH, Vice President  
 JAMES SMITH, Secretary

**CANADIAN DEPARTMENT**  
 461-467 Bay St., Toronto, Canada  
 MASSIE & RENWICK, Ltd., Managers

**EASTERN DEPARTMENT**  
 10 Park Place  
 NEWARK, NEW JERSEY

**PACIFIC DEPARTMENT**  
 220 Bush Street,  
 San Francisco, California  
 W. W. & E. G. POTTER, 2nd Vice Presidents  
 FRED W. SULLIVAN, Secretary  
**SOUTH-WESTERN DEPARTMENT**  
 912 Commerce St., Dallas, Texas  
 OLIN BROOKS, 2d Vice President  
 BEN LEE BOYNTON, Res. Vice President  
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

sociation, who filed an injunction suit against Floyd West & Co., Dallas general agents, and the San Antonio Exchange, have been instructed to file a petition for withdrawal of that suit.

#### Deposit Law Amended

Certain changes were made in the Virginia deposit law at the special session of the legislature of that state. One amendment provides that when a surety bond is given in lieu of securities, the same fee or assessment shall be paid by the companies depositing surety bond as is required in cases of a deposit of securities. This fee is 1/20 of 1 percent of the face of the deposit for the amount of the bond annually.

#### Confer on Basis Schedule

The general basis schedule committees of Texas company men and local agents will meet in Austin, Sept. 22.

The members of the company committee are O. F. Grover, America Fire; C. J. Wyckoff, Aetna; James Cravens, Cravens, Dargan & Co., and D. D. McLarry, Home of New York. The members of the committee representing the local agents are A. D. Langham, Houston; M. J. Miller, Fort Worth; Dallas Smith, Dallas, and F. F. Ludolph, San Antonio.

#### Ask New Formula on Fleets

RICHMOND, Sept. 20.—The Virginia rating bureau is petitioning the state corporation commission for application of a new formula for fire coverage on fleets of trucks and buses. Two propositions have been submitted: One for permission to vary premiums for coverage on the basis of experience of individual fleets; the other for slight increases in rates on such coverage due to unfavorable experience. The petition indicates fire losses have increased sharply among Virginia fleets since 1923.

#### Oklahoma Auto Rates Up

Automobile rates have been increased slightly in Oklahoma by application of the 75 percent loss clause so far as the fire item is concerned. To purchase full fire protection, the insured must now pay an additional 25 percent of the automobile fire insurance rate. The three-fourths value clause is not required for automobiles rated under the fleet schedule. Another change is an increase in the minimum premium from \$3 to \$5. These increases have been approved by the Oklahoma insurance board.

#### Approve Code in Kentucky

LOUISVILLE, Sept. 20.—The executive committee of the Kentucky Association of Insurance Agents at a meeting here took up the NRA code filed by the National Association of Insurance Agents and approved in Washington. The committee went on record

as being unanimous in the belief that this code should be adopted by all agents in the state and made effective as early as possible, and has selected a committee which plans an active campaign to secure cooperation of agents of the state. Miss Blanche C. Huber, acting secretary of the Louisville Board, has also been named acting secretary of the state association, succeeding Leo E. Thieman, executive secretary-treasurer, recently resigned.

#### New Louisville Board Members

LOUISVILLE, Sept. 20.—The Louisville Board has granted to the Fidelity & Columbia Fire, affiliate of the Fidelity & Columbia Trust Co., privileges of the board, pending final completion of the routine for admission.

The Long & Hamilton agency, affiliated with the Liberty Fire, has been admitted to the board. The Viglini & Co. agency will now be represented in the board by Mrs. J. A. Viglini, who has arranged to carry on the business of her late husband, who died a few weeks ago.

Miss Blanche C. Huber has been acting secretary of the board since resignation some weeks ago of Leo E. Thieman, executive secretary.

#### Make Insured an Agent

AUGUSTA, GA., Sept. 20.—In order to collect a tax from non-agency companies operating in this city, a former city ordinance has been amended to make any one who accepts a policy, where there is not a duly authorized agent, the agent for the insurance company.

#### Form Clarksville Exchange

The Clarksville Insurance Exchange, Clarksville, Ark., has been organized with the officers: L. M. Thompson, president; Robert Jamison, vice-president; W. E. King, secretary. The membership represents approximately 90 percent of the entire fire and casualty premium volume written in the town.

#### Gambrell Heads Dallas Agents

DALLAS, Sept. 20.—The Dallas Insurance Agents Association has elected the following officers: Eric C. Gambrell, president; Arthur T. Simpson, first vice-president; Walter N. Hill, second vice-president, and W. B. Steele, secretary-treasurer. The new directors are Mr. Gambrell, Mr. Steele, C. R. Burton, J. E. Grant, O. H. Kirkland and J. R. Cochran. Alfonso Johnson is manager of the association.

#### Georgia Ruling on Mutuals

AUGUSTA, GA., Sept. 20.—In a letter to Scott Nixon of this city, former president Georgia Association of Insurance Agents, L. A. Irons, deputy insurance commissioner, states that should

a mutual in its payment of dividends reduce its available funds so that it can not meet losses, then there is liability for such losses on the part of both directors and policyholders, in excess whatever emergency clause the charter may authorize.

This is contrary to the average mutual claim that the policyholder is liable for a one or two-premium assessment only.

#### Harlingen Office Not New

In connection with an account of the insurance aspects of the hurricane in the Rio Grande Valley, the statement was made that the Fire Companies Adjustment Bureau had opened an office in Harlingen, Tex. That office was originally opened by the Southwestern

Adjustment Company and was consolidated with the Fire Companies Adjustment Bureau when that organization entered Texas. C. H. Purdy has been branch manager since October, 1928.

#### Mutuals After Publishing Plants

The entire line of the Savannah (Ga.) "Morning News" has been lost by the local stock agents to the mutuals. The mutuals are going after other newspaper plants in that section.

#### Southern Notes

J. T. Stokely, 70, senior partner in the Stokely & Jackson agency, Winchester, Ky., died at his home there.

Mrs. H. C. Littlefield, Pennsylvania Fire, was named president of the Women's Insurance Association of Oklahoma City following the resignation of Mrs. L. W. Drennan.

## PACIFIC COAST AND MOUNTAIN

#### Pistolesi Is Named Manager

Canadian Fire and Canadian Indemnity Make Appointment in the Northern California Field

SAN FRANCISCO, Sept. 20.—N. H. Pistolesi, of San Francisco, has been appointed northern California manager of the Canadian Fire and Canadian Indemnity by Secretary J. A. Dowler, who has been on the coast for some time and has just returned to the home office.

Mr. Pistolesi was formerly with Spear & Co., San Francisco general agency and recently resigned to organize his own general agency. He has been general agent for the Commercial Standard and Employers Casualty. All of the companies he is managing are non-board and non-conference. He started with the Fireman's Fund group more than 12 years ago and was with the Rolph, Landis & Ellis general agency and R. H. Jenkins general agency before joining Spear & Co., where he was assistant general agent.

#### Brokers Confer with Board

SAN FRANCISCO, Sept. 20.—The Insurance Brokers Exchange of San Francisco has appointed a sub-committee of the general conference committee to confer with the Pacific Board on Rule 11, pertaining to regulation of inspection survey in formation. A few months ago a new rule, approved by the conference committees of the board and Brokers Exchange, was written into the book of regulations. Later a group of local brokers protested its provisions, with the result that the matter is again wide open. According to information, the brokers who signed the petition presented to the board are also members of the exchange. The board

of governors of the exchange, however, is reported to be strongly in favor of the rule as it is at present. The exchange will resume its regular monthly luncheons next week.

#### Merchants in McCullough Office

DENVER, Sept. 20.—The Merchants of New York has entered the joint department office here which is managed by W. E. McCullough. Other companies in the office are the Dubuque Fire & Marine, Millers National, Monarch, National Reserve, Reserve Underwriters and Central Surety. Although New Mexico is usually classed in Rocky Mountain territory, the business of the Merchants in that state will continue to be in charge of C. G. Redd of Albuquerque.

A. A. Bennett has been appointed to represent the McCullough department office as special agent. He was special agent of the Cashman & Evans general agency for years.

#### Pasadena Board Elects

At the annual meeting of the Pasadena (Cal.) Association of Insurance Agents, J. C. Bogardus of the William Wilson Company was elected president; Howard Wilson, vice-president, and William Knight, secretary. The new officers will have charge of arrangements for the annual convention of the California Association of Insurance Agents, to be held at Pasadena in November.

#### Oppose "Other Insurance" Permit

DENVER, Sept. 20.—The Mountain Field Club has adopted a resolution asking the managing committee of the Mountain States Inspection Bureau to strike the "other insurance" permit from the rule books and substitute the three-fourths value clause. Manager Kulp

# MARSH & McLENNAN

## Insurance

FIRE  
CASUALTY

LIFE  
MARINE

BOND  
AUTOMOBILE

164 West Jackson Boulevard, CHICAGO

NEW YORK  
MINNEAPOLIS  
BUFFALO  
BOSTON  
PITTSBURGH

DETROIT  
COLUMBUS  
INDIANAPOLIS

CLEVELAND

LONDON

MONTREAL  
PHOENIX  
WINNIPEG

DULUTH

SAN FRANCISCO  
LOS ANGELES  
PORTLAND  
SEATTLE  
VANCOUVER



will present the resolution to the managing committee at its October meeting. The "other insurance" permit is used largely in unprotected territory, and the failure of a large number of agents to understand it and give proper interpretation to its use has resulted in increased hazard from overinsurance, according to President L. Allen Beck of the field club.

#### Returns to Firemen's Group

E. J. Armando has rejoined the San Francisco office of the Firemen's group as special agent for the fire companies of the group. He was special agent for the group in San Francisco for about nine years, resigning about 18

months ago to enter the general agency field.

#### Quits Field Club, Weds

Miss Marie O'Brien of Denver, for some time assistant secretary of the Mountain Field Club, has resigned and was married Tuesday to V. C. Scott, geologist of the Texas Company. They will make their home in Perry, Okla.

#### Pacific Coast Notes

The firm name of **Stusser-Dogginger Company** of Seattle has been changed to L. N. Dogginger, Inc., with office at 208 Columbia street.

Graham & Riley is a new agency at Seattle in the Republic building. R. H. Ensign, formerly with the Travelers Fire, is in charge of the insurance department.

of Commerce will guard against lapse or cancelling of truckmen's policies, and in any event give notice to shippers, backed by the contingent policy.

#### Court Test Is Expected in American Druggists Case

Commissioner Sullivan of Washington has taken no step as yet to force the American Druggists Fire to clear the 305 tags outstanding, most of which resulted from rate violations in the company's policy of writing at the old deviated rates which are approximately 35

percent under the rates of the Washington Survey & Rating Bureau. The company plans, it is said, to make a court test if Commissioner Sullivan attempts to force the company to correct its rates. The record of 305 tags is shown by the Washington Insurance Examiners Bureau. The company is entering upon its fourth month of writing at the low rates.

#### Opens New Indiana Office

The Michigan Mutual Liability has opened an Indiana office in the Lincoln Tower at Fort Wayne and has appointed Fred Hire as district supervisor.

## EASTERN STATES ACTIVITIES

### Leamy Made General Agent

**Springfield F. & M. Man Takes Charge of Business Promotion in Its Home Office Territory**

C. E. Leamy has been appointed general agent of the Springfield F. & M. group in head office territory. He became affiliated with the Springfield Jan. 1, 1920, and served first as assistant in the service department. In August, 1927, he started surveying congested value districts of the larger cities throughout the country. He made a number of trips to the western department territory and one to the Pacific Coast.

His recent duties have been the making of special analyses of underwriting operations in head office territory. His particular duties as general agent will be in collaboration with field men and the business promotion department in an intensive effort to produce for the Springfield group an increased volume of desirable business.

He was born Nov. 6, 1887, at Gardner, Mass. He attended the public schools there and was graduated from high school in 1905. He then attended Worcester Polytechnic Institute from which he was graduated in 1910. After leaving school he spent a few months with the Rockwood Sprinkler Company of Worcester in its New York City office, making sprinkler layouts. On Nov. 1, 1910, he joined the Factory Insurance Association, for which until Jan. 1, 1914, he traveled from Maine to Louisiana. He was then located in Providence as its representative in Rhode Island and eastern Massachusetts.

#### Fall Season Is Started

The fall season of the Underwriters Board of Rochester, N. Y., was launched with a business session at the chamber of commerce. Frank J. O'Neill, president of the Royal Indemnity, will address the November meeting.

#### Wyoming Valley Exchange Elects

The Wyoming Valley (Pa.) Insurance Exchange held its annual meeting at Wilkes-Barre and elected Henry Schmid of Wilkes-Barre as president; E. N. Stark of Pittston, first vice-president; Walter Lewis of Manticoke, second vice-president; J. J. Lally of Wilkes-Barre, treasurer; A. S. Galland, Wilkes-Barre, secretary.

#### North Wins Tickets

David A. North of New Haven, Conn., is the winner of a book of world fair tickets this week, his application for reservation at the convention of the National Association of Insurance Agents in Chicago being the first to be opened by the convention committee.

### Philadelphia Premiums for First Six Months

The Philadelphia fire premiums for the first six months amounted to \$3,325,259. This is a decrease of 15 percent. The total for the same period a year ago was \$3,884,047. The Pennsylvania companies returns show \$1,175,737 as compared with \$1,327,322 a year ago. The companies of other states show \$1,579,962 as compared with \$1,931,000. The groups show premiums as follows: Home of New York, \$709,307 as compared with \$728,599; North America \$441,645 as compared with \$443,731; North British & Mercantile \$236,611 as compared with \$236,498; Royal-L. & L. & G. \$160,267 as compared with \$203,283; America Fore \$143,306 as compared with \$145,722; Fire Association \$106,122 as compared with \$149,940. The other groups fell below \$100,000. The leading companies are as follows:

	1933	1932	1931
Alliance, Pa. . . . .	\$2,351	\$100,541	\$139,642
Fire Assn. . . . .	86,969	124,930	153,320
Franklin . . . . .	316,334	308,690	363,240
Ins. Co. N. A. . . . .	308,266	303,618	359,669
Lumbermen's . . . . .	40,036	66,416	70,082
Mechanics . . . . .	44,024	40,809	68,378
Pennsylvania . . . . .	134,245	148,780	147,492
Aetna . . . . .	44,095	40,806	54,944
Continental . . . . .	59,344	39,686	54,394
Hartford Fire . . . . .	35,280	32,489	49,131
Home . . . . .	90,191	108,473	157,414
Natl. Liberty . . . . .	149,485	146,947	155,985
New Brunswick . . . . .	31,696	27,028	30,275
N. Hamp. Fire . . . . .	33,580	33,162	38,686
St. P. F. & M. . . . .	34,488	24,771	33,626
Travelers F. . . . .	30,503	43,707	42,224
L. & L. & G. . . . .	35,490	63,624	40,430
No. Brit. & M. . . . .	57,853	25,972	57,843
Royal . . . . .	68,169	64,148	79,323

#### Annual Meeting Sept. 27

JERSEY CITY, Sept. 20.—The annual meeting of the Hudson County Underwriters Association will be held here Sept. 27. Officers will be elected.

#### Chicago Business Group in Plan to Protect Shippers

An arrangement for full coverage for Chicago shippers by truck, covering all shipments against loss by fire, theft and other hazards usually covered under the inland marine form of cargo policy has been effected by the Chicago Association of Commerce. It is a plan calculated to increase the association membership. The association undertakes to investigate insurance protection, financial responsibility, reputation and references of all trucking concerns which are members. It proposes to certify truckmen's qualifications to shippers participating in the plan.

A contingent inland marine policy running to the association and covering all participating members has been purchased from the National Union to guard against lapse of truckmen's policies. Osborn & Lange, general agents of the National Union, handled the deal.

It is claimed that this plan obviates the need for shippers to purchase their own cargo insurance, as the Association

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# Oklahoma Agents Gather at Tulsa

## Asks More Power for Association

Sills Urges Making Membership Prerequisite for State Agency License

### OUTLINES OBJECTIVES

Precarious, Uncertain Position of Stock Insurance Makes Action on Agency Reforms Imperative

Stock insurance finds itself today in an uncertain if not precarious position, said V. V. Sills, in his presidential address at the Oklahoma Association of Insurors annual convention at Tulsa. Practically every branch of the business is unable to derive an underwriting profit to which it is entitled and there is a possibility that eventually court decisions may compel the companies to lump their investments and underwriting profits for rate making purposes. Agents are concerned about the situation and are casting about for relief and remedies, said Mr. Sills. Lack of underwriting profits has caused considerable agitation about the cost of operation. An avenue of reduction that is open and will bring relief and reform in the

## Presides



V. V. SILLS, PONCA CITY  
Retiring President Oklahoma Association

agency end of the business is the elimination of incompetent and unreliable representatives.

The activities of the Oklahoma association during the past year were enumerated by Mr. Sills. The Oklahoma association was active in the attempt to secure inclusion of the measure divorcing insurance and banking in the Glass-Steagall bank bill. Injustices

(CONTINUED ON PAGE 23)

## Dallas Association Raises City's Insurance Standards

### JOHNSON TELLS OF PROGRESS

Cooperative Effort Since 1930 Reduces Fire Loss and Eliminates Evil Competitive Practices

The accomplishments of the Dallas Insurance Agents Association in raising the insurance standard were outlined by its manager, Alfonso Johnson, at the Oklahoma Association of Insurors' annual convention in Tulsa.

Mr. Johnson said that just as in every business or profession, there are unscrupulous insurance agents—agents who give rebates and write coverage without inspecting the risk. They have no interest either in their assureds or their companies and think only of the commission involved.

### Represents 95 Percent of Total

A real insurance agent, said Mr. Johnson, appreciates his position as a trustee between the company and the assured. He earns every cent of his commission and cannot and will not buy the business. He quoted President Roosevelt in saying that 90 percent of the individuals want to do and will do the right thing. The majority must organize to keep the small minority in line.

The program of the Dallas Insurance Agents Association has been very definite and constructive, said Mr. Johnson. Since 1930 it has grown from 21 to 72 members who write 95 percent of the

(CONTINUED ON PAGE 25)

## Oklahomans Elect Frates President

Automatic Cancellation Clause Approved at Annual Meeting in Tulsa

### OVER 100 AT MEETING

Commissioner Read Urges Enactment of Qualification Measure—Collections Discussed—Clarke Urges Loyalty

### NEW OFFICERS

President—J. A. Frates, Jr., Tulsa.  
Vice-President—Addison Sessions, Okmulgee.

Secretary—R. W. Branch, Tulsa.  
Executive Committee—E. W. Clarke, Oklahoma City; F. W. Wiles, Blackwell; E. R. Ledbetter, Oklahoma City; Fred Daniel, Tulsa; George MacCurdy, Tulsa, and V. V. Sills, Ponca City.

### By FRED B. HUMPHREY

Joe A. Frates, Jr., of Tulsa, was elected president of the Oklahoma Association of Insurors at the annual convention in Tulsa, which was attended by over 100 agents and field men. The association went on record as approving the automatic cancellation clause and M. G. Smith of Baton Rouge, La.,

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Fred Daniel

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W. B. Hankla

Secretary  
R. W. Branch

## PLEDGES

its whole-hearted support and earnest cooperation at all times to the outstanding principles of the State and National Associations. :: :: :: ::

We thoroughly enjoyed being hosts to the Annual Convention held in Tulsa and hope that the Oklahoma agents enjoyed their visit so much that they will desire to hold another annual meeting in Tulsa in the near future.



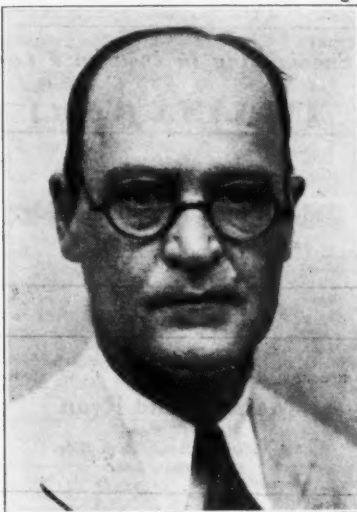
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## Oklahoma Agents' New Officers



**J. A. FRATES, JR., Tulsa**  
President



**R. W. BRANCH, Tulsa**  
Secretary

national association committeeman, will present the recommendation at the annual meeting in Chicago.

In his annual report, Secretary M. M. Keys reported a successful membership drive by E. R. Ledbetter, Oklahoma City; W. F. Stahl, Tulsa, and President V. V. Sills, Ponca City. Mr. Keys emphasized the necessity for a strong local board organization and outlined a plan by which the state association would receive financial support from the various local boards.

Commissioner Jess G. Read gave an impromptu talk and urged the enactment of an agents qualification law, stating that while there is a difference of opinion as to what its provisions should be, the important idea is to get it on the statute books so that it may later be strengthened or amended as developments require. Mr. Read also suggested the state insurance board or the office of commissioner be abolished, as many of the duties conflict at present and the overlapping of authority is confusing.

### Brings Texas Greetings

Alfonso Johnson, manager of the Dallas local insurance board, brought greetings from the Texas association and from Commissioner Mauk of Texas. He read Commissioner Mauk's plea for organization in agency ranks.

Paul F. McKane, Maryland Casualty claim manager, substituted for J. S. Adams in discussion of the state fund compensation law. He pointed out some of its inconsistencies and answered questions. The state fund does not cover death claims or cases where employees are injured in nonhazardous employment, thus not offering full employer's liability. The law also requires physical examination of the employee and an employee who has not passed an examination and is injured is not covered by the state fund and the employer can be held personally liable.

### Offers Membership Suggestions

Matt G. Smith, National association executive committeeman of Baton Rouge, La., offered suggestions for increasing membership. He said a paid secretary was essential for the success of a state association. He outlined the collection procedure of the Baton Rouge agents who meet once a month and check their delinquent premium lists.

F. W. Wiles, Blackwell, Okla., reported on the automatic cancellation clause.

In discussing collections, C. E. McFarland, Tulsa, said that the standard of honor has changed and many men in recent years do not feel the obliga-

tion to pay debts that they once did. Agents have been more lenient than most other lines of business in carrying accounts. Agents must educate themselves and their customers to the idea that the premium must be paid within a reasonable time. The solution of the collection problem is the courage to make the assured understand that payment is expected within a reasonable time after the business is placed.

### Cooperative Effort Effective

Miss M. K. Hanlan, Tulsa, advertising manager Public Service Corporation, discussed local board advertising. She said a board's cooperative advertising can accomplish much more than individual efforts.

In a stirring discussion on reciprocity and loyalty, E. W. Clarke, president Oklahoma City board, called attention to the many evils in the business. Lack of cooperation has made it difficult to correct bad practices and he made a strong plea for loyalty to the local, state and national agents associations and to the companies. He said the agents are not fair with themselves or with their companies and without loyalty there can be no reciprocity; without reciprocity there can be no agency system.

President-Elect Frates said there are many conditions existing that need a good deal of attention. He believes in the regulation of business by business for business. He urged that all agents who join the association take an active part. There is no use having the various organizations unless they are effective and the agents devote their time and energy to making them so. He also urged the necessity for properly financing the association so that it can perform its proper duties.

### Solution of Collection Problem Greatly Needed

The importance of a solution to agency collection problems was stressed by F. W. Wiles of Blackwell, Okla., in his discussion of the proposed automatic cancellation clause at the Oklahoma Association of Insurance Agents annual convention in Tulsa. In many cases a good producer is a poor collector and having to collect takes the edge off his ability to produce and properly service the various risks. Mr. Wiles said he believed in the principle of the automatic cancellation clause. It wouldn't mean making a legal demand for cash but the automatic cancellation clause would pro-

(CONTINUED ON PAGE 23)

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## Asks More Power for Association

(CONTINUED FROM PAGE 20)

promulgated by the vacancy permit rule were brought to the companies' attention and the rule rescinded. Pledges were secured from the majority of casualty companies operating in Oklahoma to curb fictitious fleet coverage on automobiles.

Mr. Sills urged cooperation of all agents and the organization of the state association for self-government, making membership therein all inclusive and a prerequisite to obtaining a state license to act as agent. Such an undertaking needs patient, cooperative work.

Such an organization with public in-

terest paramount will provide a class of agents of character and knowledge sorely needed to provide proper public service.

### Seeks Professional Status

Mr. Sills cited the organization of the law, medical and dental professions as an objective. He said powers should be conferred on a properly organized association to investigate charges and impose penalties for unethical conduct, subject to court review. This would solve one of the most insidious problems which is today afflicting the business of insurance. It will create public confidence, dignify the agency force, and fix responsibility for maladministration. The inclusion of every agent may not be possible at the start as such a drastic move might bring opposition. It may take years to accomplish such a pro-

gram. The objection that such an act would give large and dangerous powers to organized agents can be answered by saying that the organization would have no powers not now being exercised by supervising state officials.

## Solution of Collection Problem Greatly Needed

(CONTINUED FROM PAGE 21)

vide for 45 or perhaps 60 days for payment of premiums. When the companies first exercised the right to withhold payment of losses for 60 days companies and agents objected. No doubt, said Mr. Wiles, many of these assureds who protested, had taken 60 or 90 days or even six months time in which to pay the premiums on the very policies

on which the loss was paid. "It all depends on whose ox is being gored. It is my conviction that the public will accept the automatic cancellation plan and respect the institution of insurance more. I have had clients tell me that a policy should be worthless unless it was paid for."

### Public Is Receptive

The public is in a receptive mood to changes at this time, said Mr. Wiles. It is a time to take action. The indiscriminate extension of credit discriminates against policyholders who pay cash on delivery. An agent is in a way guilty of rebating when he extends credit indefinitely for the assured has had the use of the money during the time he has been withholding the payment of the premium.

"The collection problem is a skeleton

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in the closet of every insurance agency in the land and the rattling of so many bones with every gentle breeze that blows has dimmed the desire of an agent to create new business or give proper service to that which he already has placed on his books."

The adoption of an automatic cancellation clause would enable special agents to spend more time on other work, said Mr. Wiles, and the agent would be benefited immeasurably. With the collection problem off his mind, he can devote his time and talent to developing new business.

### Dallas Association Raises City's Insurance Standards

(CONTINUED FROM PAGE 20)

fire, casualty and surety business in Dallas.

A few years ago Dallas was noted as a "hot" city with excessive fire losses. Agents were suspicious of each other. The local agency system was conducted in a way that reflected discredit upon the entire insurance fraternity, Mr. Johnson said. Cut throat competition, over-insurance, trick policy writing, all natural results of unfair practices, helped create the infamous "Dallas situation."

The organization of the Dallas agents raised underwriting from a racket to a profession. It was just like an old time revival, the agents confessing their sins, promising to reform and working on their brethren sinners. A member was required to pledge himself to abstain from deceptive or misleading practices, to observe and practice the principles of law and equity in all insurance matters, to eliminate over-insurance, protect and promote the interests of the public, to assist in the enforcement of all insurance laws of Texas, to discourage the indiscriminate issuance of licenses to those not properly engaged or legally entitled to be in the business.

#### Reduce Number of Brokers

In 1930 Dallas had 2,600 licensed brokers who could legally write fire business. With the aid of the qualification bill passed in 1931, the number of solicitors has been reduced to 325. With the cooperation of the fire department and officials against over-insurance and arson, fire losses have been reduced markedly in Dallas. The public has been greatly benefited through the activities of Dallas Insurance Agents Association by a probable reduction in fire premiums of from \$60,000 to \$120,000 in 1934, but the agents themselves have gained more benefits, said Mr. Johnson. He quoted one agent as saying: "In spite of decreased volume of premiums my business is worth more today than it was three years ago, because of improved conditions of the insurance business in Dallas, and because I now have confidence in my brother agents."

### Term Fine Arts Contracts Rewritten on Annual Basis

All term policies on forms coming within jurisdiction of the Inland Marine Underwriters Association are being completely eliminated with the mandatory cancellation as of Nov. 1, 1933, of all term fine arts policies on private collections and rewriting them for one year term. The rule was adopted a year ago. Gradually the I. M. U. A. has done away with term contracts on other forms, the fine arts being the only survivor to date. The rule regarding fine arts does not apply to museums and dealers.

The contention of the I. M. U. A. and member companies is that so great a variety of coverages is given under the inland marine form at a reasonable rate that the companies cannot afford to discount the premium as is done when writing for three or five year term.

## Have you life insurance

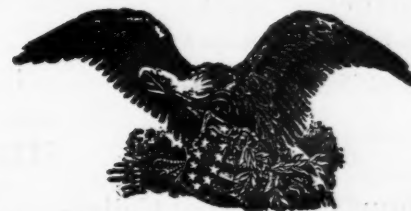
—to cover the mortgage on your house so that your wife and children will not have to pay it if you do not live long enough to clear the debt yourself?

—to give your family an income or to help put your children through college, if you should not be here to do it?

—to provide for your old age, should you be forced to retire from business or suffer losses on property or other investments?

—to cover inheritance taxes? If you haven't an estate on which to pay an inheritance tax, have you a life insurance estate which you can leave clear and free from such taxes?

If you are protected against these contingencies, your mind is free from worry; you have made yourself and your family secure. You are financially independent.



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### *Twenty-Second Annual Statement United States Branch December 31, 1932*

#### ASSETS

Government Bonds .....	\$ 1,543,865.00
Municipal Bonds .....	260,000.00
Railroad Bonds .....	3,063,115.50
Public Utility Bonds.....	4,671,344.30
Miscellaneous Bonds .....	94,312.00
Railroad Stocks.....	409,992.13
Public Utility Stocks.....	2,025,617.50
Miscellaneous Stocks.....	492,604.60
<small>New York Insurance Department Valuations.</small>	
Mortgages .....	1,293,052.00

**\$13,853,903.03**

Premiums in course of Collec- tion (not over 90 days)....	1,035,660.69
Interest Accrued .....	152,345.89
Cash in Banks and in Office..	157,635.40
All Other Assets.....	37,904.72

**\$15,237,449.73**

#### LIABILITIES

Reserve for Losses (other than Liability) .....	\$ 2,856,267.83
Reserve for Losses (Liability and Compensation).....	3,184,868.12
Reserve for Unearned Pre- miums .....	3,131,553.32
Reserve for Commissions....	435,165.03
Reserve for Taxes and other expenses .....	442,740.04
Contingency Reserve .....	2,166,824.53
Special Reserve .....	520,030.86

**\$12,737,449.73**

Deposit Capital..\$	850,000.00
Surplus over Lia- bilities and De- posit Capital..	1,650,000.00

**Surplus to Policyholders..... 2,500,000.00**

**\$15,237,449.73**

### CASUALTY, FIDELITY AND SURETY REINSURANCE

THEODORE L. HAFF  
United States Manager

CLARENCE T. GRAY  
Ass't United States Manager

99 JOHN STREET - - - - - NEW YORK CITY



# The National Underwriter

September 21, 1933

CASUALTY AND SURETY SECTION

Page Twenty-seven

## Stirred Up Over Prospect of Fund

New Jersey Agents Fear Monopolistic Measure—Companies Are Criticised

### BEHA ANSWERS ATTACK

Trenton Man Says Agents Are in Large Part to Blame for Conditions

Unless casualty companies operating in New Jersey generally display a more liberal attitude in their consideration of workmen's compensation risks in the state than is now evidenced, the strong probabilities are that a monopolistic state fund bill will be offered when the legislature next meets in regular session. Such was the warning and prediction made by H. L. Godshall, legislative committee chairman, at the New Jersey Association of Underwriters annual convention in Atlantic City. However unsatisfactory the loss experience on New Jersey compensation business may have been in past years, Mr. Godshall challenged the statement of the company heads that the line is still a losing one in the state. He maintained that by virtue of the sharp rate increases that had been applied by the rating board last July, risks could now be written with a fair prospect of profit. He asserted further, that the companies themselves could benefit the business if greater care were exercised in the handling of claims and the proper auditing of payrolls.

#### Dickinson Stresses Service

While the views of Mr. Godshall were shared by some other members of the association, exceptions were voiced by several of the leaders, notably by W. M. Dickinson of Trenton, who contended that the agents themselves were in large part to blame for the conditions because they do not display sufficient skill in servicing the interests of their clients. He recited specific cases where his office through careful study of the needs of customers had been able to cut down loss ratios to a marked degree. If all agents were similarly alert, he asserted, the loss record of the state so far as the compensation line is concerned would soon show vast improvement. A special committee was appointed to study the compensation question further and confer with company officials on effective remedial measures.

#### Rates Reflect Cost

Although he hadn't prepared a statement upon the compensation business, J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, in his talk at the meeting, explained the rate making policy of the organization companies. This served as

## Information Gathered on London Lloyds Practices

BOSTON, Sept. 20.—Surety underwriters here are aroused in regard to increasing competition by London Lloyds in bank blanket bond coverages and are cooperating with certain members of the state legislature who are preparing a bill for introduction next session designed to greatly restrict or to end such operations. London Lloyds, it is reported, have found this state a very profitable one, giving them a large premium income running second to New York. The secretary of the Massachusetts Association of Trust Companies has interrogated the membership regarding Lloyds coverage held and the number of trust companies holding these bonds is reported to be surprising. Owing to the banking laws of this commonwealth, trust companies in this state occupy a very favorable position, superior in some respects to banks, and this makes the result of this inquiry more important than it would be in other states.

#### Clever Scheme Is Unearthed

As a result of this inquiry it has been ascertained that London Lloyds has a small band of very efficient bank examiners who offer their free services to trust companies and banks for the purpose of discovering possible exposure to loss. They come with fine credentials from other banking institutions and the efficiency of their methods is not open to doubt. Proffers of their free services to bankers, whether holders of Lloyds coverages or not and without expense, result in surveys being

made and reported on in a way that has gained considerable business for Lloyds. American underwriters make such surveys for policyholders, but rarely, it is said, are they made for those whose names are not on their books.

#### James Roosevelt a Factor

The question is debated here, as in New York, whether state or federal legislation may be better. Regardless however of what may be done in Washington at the next session of Congress, it is certain that legislation adverse to Lloyds will be introduced at the next session of the Massachusetts legislature convening Jan. 3. Congress meets about the same time. James Roosevelt, son of the President, is connected with the local firm of O'Brien & Russell and it is said that his personal interest in some proposed legislation has been aroused. Mr. Roosevelt is reported to be boomed for high political office in this state which makes any attitude taken by him in this matter of increased importance. Surety officials here are awaiting action by the Surety Association of America at its New York office and will probably defer their own action until completely advised of the manner in which that body will handle this matter. In the meantime data are being accumulated and evidence gained as to the unauthorized dealings of several Boston firms with Lloyds and the insurance department, fully advised of what is going on, is expected to take summary action when the time comes for this.

## Insurance to Be Required on Self-Liquidating Loans

WASHINGTON, Sept. 20.—In administering the \$3,300,000,000 public works fund, insurance will be required on all self-liquidating public works projects until the federal funds are repaid, according to C. McDonough, director of engineering of the federal emergency administration of public works. The public works administration has no general policy, as each case requires different handling. Not all the projects financed will be insured, as some are to be built by money loaned against general obligation bonds and the structures are the property of the various municipalities. In such cases there will be sufficient financial backing to make it unnecessary to insure the project. It will be the general policy, however, to have surety bonds covering all contracts that may be let.

a partial response to the criticisms of the agents.

"Rates," said Mr. Beha, "are not made arbitrarily. They are the reflection of loss and claim cost actually experienced." He stressed anew the necessity of securing a rate commensurate with the hazard involved, if the carrier is to carry out in good faith its obliga-

## New York Official Warning as to Unlicensed Companies

In response to numerous inquiries the New York department advises that as the Allstate Insurance Co. of Chicago, the Sears, Roebuck & Co. company, is not licensed in New York it "is incapable of qualifying its assureds" under the "so-called financial responsibility law of New York." The reply affords Superintendent Van Schaick opportunity to warn against patronizing companies not qualifying under the laws of the state, pointing out that in the absence of such permission assureds deal with concerns at their own risk, and in the event of disputes arising the courts of New York would not be open to them. If suit is brought, it would have to be in the state of the company's domicile, a procedure sure to prove expensive and generally unsatisfactory.

tion to the assured. If a rate is less than that shown to be necessary by the combined experience of the carriers, the assured is likely to suffer in the treatment of a claim or in the granting of other service for which he presumably paid. New Jersey agents had a sorry experience with cut-rate casualty com-

(CONTINUED ON LAST PAGE)

## Loss Reduction of Great Importance

Rate Increases Offer No Hope for Reaching Sound Basis

### NATIONAL BUREAU ACTIVE

Good Results Shown in School Child Campaign—Claim Department's Efforts Prove Effective

NEW YORK, Sept. 20.—If the important casualty lines, workmen's compensation and automobile public liability, are to develop along sound lines it will have to be through the reduction in the number and seriousness of accidents. Rates for both coverages have reached such point as to preclude hope of any further substantial increase. With each rate advance the experience of the carriers has been that many of the better type of risks are lost to them, supplying thereby a further adverse selection, with an inevitable increase in the loss ratio.

#### Support Prevention Work

That company officials fully appreciate the situation is attested through the substantial support accorded accident prevention movements by the National Bureau of Casualty & Surety Underwriters and the systematic campaign being waged by it against fraudulent claim making. The bureau for several years has maintained a safety division, its function being the dissemination of information regarding accident prevention. Upon its staff are men skilled in safety work, who travel about the country addressing educational and trade bodies in the different centers, seeking their cooperation in movements to lessen accident hazards in their respective communities.

#### Persistence Is Necessary

The educational work is along broad lines and must be persistently maintained if it is to produce benefits. Perhaps the most notable results have accrued from the talks given before public school children. Since the launching of such educational campaigns there has been a marked and most gratifying reduction in the number of motor accidents to children of school age. No such result, unfortunately, can be reported with respect to injuries suffered by grown-ups, who despite all warnings continue to walk about heedlessly, and to pay the penalty.

When the National Safety Council meets in annual session at Chicago, Oct. 2-6, casualty interests will closely follow its deliberations, eager and willing to cooperate in whatever program the council may determine with a view to lessening the country's annual accident toll.

The creation by the National Bureau (CONTINUED ON LAST PAGE)

## Agents to Have Session on Highway Safety Question

SAM MORRISON IS LEADER

Additional Features of National Association Convention in Chicago Are Announced from Headquarters

Additional features of the convention of the National Association of Insurance Agents in Chicago have been announced from headquarters.

Under the leadership of Sam T. Morrison of Iowa City, chairman of the committee on fire and accident prevention, there will be a highway safety symposium. He will be assisted by W. G. Hurtzig, Morristown, who has just been elected president of the New Jersey Association of Underwriters, and R. T. Waterman of Poughkeepsie, N. Y., who has been active in safety work in Dutchess county. L. E. Wallace, superintendent of the motor vehicle department of Iowa, who addressed the recent meeting of the Iowa agents, will participate.

John J. Hall, director of street and highway safety division of the National Bureau of Casualty & Surety Underwriters, will conclude the program with a talk on "The New Deal."

Another convention feature will be discussion on use and occupancy, with emphasis on the new adjustable form developed by certain reciprocals. Howard Campbell of R. B. Jones & Co., Kansas City, who is an expert on the subject, will lead the discussion.

F. J. Ney of the Fred L. Gray Company of Minneapolis will lead the discussion on compensation. He will treat especially the development and servicing of small risks.

### Meet in Chicago Next Year

The executive committee of the Health & Accident Underwriters Conference has decided to hold the 1934 annual meeting of the conference at the Edgewater Beach hotel, Chicago, early in June. The General Reinsurance of New York and the Michigan Life of Detroit were admitted to conference membership by a unanimous vote of the executive committee.

### Entertainment Head at White Sulphur Meeting



GEORGE E. TURNER  
Hartford

George E. Turner, president of the First Reinsurance of Hartford, is chairman of the entertainment committee for the casualty convention to be held next week at White Sulphur Springs.

## ACCIDENT AND HEALTH FIELD

### Start "50 and 10" Campaign

Managers of United Benefit Life, Mutual Benefit H. & A. Start Drive in Convention

Managers of the United Benefit Life and Mutual Benefit Health & Accident of Omaha, meeting at the home office in annual agency convention, inaugurated the "50 and 10" campaign, the first special sales drive which has ever been attempted in these companies. The purpose is to write \$50,000,000 life insurance and \$10,000,000 accident and health premiums in 1934. The drive, however, will be conducted between Oct. 1, 1933, and Jan. 1, 1934.

The managers at a special meeting appointed an executive committee headed by C. T. Redfield, Chicago manager, as chairman to manage the campaign. Quotas were set for all offices. A managers' exchange was formed to prepare and disseminate sales ideas, information, etc., throughout the campaign. The exchange will be operated through the offices of E. S. Hall, Los Angeles; H. K. Coffey, Portland, Ore.; Earl Brink, Phoenix, Ariz.; Frank Stephens, Newark, and A. W. Heuertz, Memphis.

#### President Criss Speaks

S. C. Carroll, assistant to the president of the two companies, was chairman at the convention. Dr. C. C. Criss, head of both companies, spoke the first day. E. S. Hall, Los Angeles, who at 41 is oldest manager with 19 years' service, spoke on "How to Sell Life Insurance." He is president of the United club.

E. J. Montague, Houston, Texas, manager, talked on "Sales Engineering," and Mr. Heuertz on "Cooperation of Agents with the Home Office." The first afternoon was given over to a picnic and barbecue. E. S. Adams, manager conservation department, told the second day of progress of the United Benefit. Manager Coffey introduced the new "accumulated savings" life policy. B. H. Clifton, Wichita, Kan., manager, spoke on "Building for Permanency."

F. S. Finch, chief underwriter United Benefit Life, explained the selection problem. Miles Scheaffer, secretary life company, told of the "New Order of Things," stressing need for longer hours and more work. C. R. De Witz, agency secretary of both companies, spoke on "The Ace of Professions." C. V. Breithaupt of Phoenix, superintendent of agents in Arizona, spoke on "The Day's Work and Its Remuneration."

#### Campaign Is Explained

V. J. Skutt, assistant superintendent claim department, discussed claim problems. Manager Redfield conducted a question box. D. M. Brovan, superintendent of agents of both companies, explained the "50 and 10" campaign. A banquet was held with E. D. McKim of the agency department as master of ceremonies.

There was an automobile trip for ladies, ending in a garden party at the residence of Dr. and Mrs. Criss, and a luncheon at a country club.

### Leonard Coast Supervisor

T. W. Leonard, formerly manager of the Detroit district of the Washington National, has been promoted to supervisor of the Pacific division, which comprises the Los Angeles, Oakland, Phoenix and San Francisco districts, with headquarters in Los Angeles. Mr. Leonard has been in charge of the Detroit district for four years and has developed an unusually strong organization there.

### Wage War on Misleading Ads

Cleveland Accident & Health Club Joins Drive on Non-Admitted Companies—Plan Sales Congress

CLEVELAND, Sept. 20.—The Cleveland Accident & Health Insurance Club discussed methods used in securing new business at a round table forum at its first fall meeting yesterday. The club expects to hold a sales congress in October. Speakers from Chicago, New York and other cities will be invited and insurance men from a large northern Ohio area are expected to attend. The Cleveland club is celebrating its 20th anniversary and has 28 managers on its roll.

The club is getting behind a campaign to prevent newspapers in Ohio from publishing "ads" of companies not licensed in the state. There has been a recent flood of so-called penny-a-day policy advertisements and similar life and accident offers in the papers, frequently containing misleading statements, which brings confusion to the minds of the public and hurts the legitimate companies. A committee composed of G. H. Knight, Federal Life & Casualty; H. A. Cunningham, Aetna Life, president of the club, and William Horn is in charge of the matter. The Cuyahoga Bar Association is co-operating with insurance men in the movement.

### Live Topics Discussed at North American Convention

A free and informal round table discussion of agency, claim and underwriting problems featured the agency convention of the North American Accident held in Chicago Saturday, with about 100 in attendance. Among the topics considered were the elimination period in health insurance, monthly and annual premium business, total and partial accident disability, collection of the policy fee and the use of circulars in canvassing.

George F. Manzelmann, vice-president and agency director, had charge of the round table discussion. He introduced some of the topics that were discussed, while others were brought up from the floor. All of the home office department heads were on hand to give any information desired.

A dinner dance was held in the evening, attended by the entire home office personnel, as well as the agents and their wives.

This was the first convention held by the North American which was attended by agents from all parts of the country, although regional meetings for the eastern and western districts have been held for several years.

### Roberts Elected President of Detroit Managers Club

DETROIT, Sept. 20.—Ross Roberts, manager Business Men's Assurance, was elected president of the Accident & Health Managers Club of Detroit at the annual meeting. He is one of the charter members of the organization.

William Zell, assistant agency supervisor National Casualty, who served as secretary last year, was elected vice-president; G. M. Hughes, Maccabees, secretary, and Robert Comer, treasurer.

J. P. Collins, National Casualty, retiring president, was elected to the board for three years; Fred Grainger, Federal Life & Casualty, and George Brown for two years; R. M. Rowland, National Casualty, and H. E. Dyble,

## Fair Claim Settlements Imperative, Says Taylor

SHOULD EYE POLICY'S INTENT

Invoking of Strained Construction in One Case May Cause Trouble for All Companies

The "other side" of claim settlements was presented by C. G. Taylor, Jr., third vice-president Metropolitan Life, at the International Claim Association meeting in Atlantic City.

The purpose of a well-managed company should be to pay in full every legitimate claim arising under its contract, said Mr. Taylor. The test of legitimacy is not whether grounds can be found to defeat a claim, but whether the claim ought in common fairness to be paid. Much criticism arises from those whose claims are rejected or approved for reduced amounts. Claim men should preserve a judicial attitude and avoid warped judgment which may ensue if they become too conscious of the efforts of the unscrupulous.

#### Good Will Valuable Asset

Good will is one of the insurance business' most valuable assets and the claim department has a great responsibility in enhancing this good will. The assured is primarily interested in whether a company is able to pay and willing to pay claims promptly. Claim men must be unbiased in their decisions. If the contention of the claimant is disagreed with, the reasons should be presented fully and intelligently so that even a prejudiced person can be persuaded of the justice of the decision.

Sometimes only one case stirs up a lot of ill will and creates troublesome legislative activity, said Mr. Taylor. A company with an ultra-technical claim department may make an effort to avoid paying a claim concerning which there may have been some room for doubt by seizing upon an altogether new and strained construction of an unimportant clause in the policy. This may result in a requirement of changes by the insurance department in policies of all companies, even if they have attempted no such construction. These claims may also stir up objectionable legislative proposals.

It is not the function of the claim department to defeat the rights of a claimant, but to see that in the settlement of claims the assured is granted the coverage that was intended. The importance of this point of view, said Mr. Taylor, is shown in the development in recent years of insurance supervision as policyholders are becoming more and more prone to seek assistance of insurance departments in connection with the settlement of claims. Many departments have organized bureaus to review these claims.

Hooper-Holmes Bureau, for one year. R. R. States of the Premium Notice Bureau, Pittsburgh, spoke on his company's system for control of credits and collections.

### R. H. MacKinnon in New Post

DETROIT, Sept. 20.—R. H. MacKinnon, former assistant manager of the accident and health department of the Zurich at the United States head office in Chicago, has been appointed agency manager for the Massachusetts Bonding accident and health department in Detroit, succeeding A. D. Bailey. Bailey & Kendall have been general agents for the company here for a number of years. Mr. MacKinnon was manager of the accident and health department of the Michigan Life here before joining the Zurich. He is a former regional vice-president of the National Association of Accident & Health Managers and former secretary of the Detroit club.



## Casualty Program Completed for White Sulphur Meeting

### EMINENT SPEAKERS LISTED

J. Arthur Nelson and Thomas E. Braniff Are the Presiding Officers of the Occasion

All plans have been completed for the annual meeting of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents to be held at White Sulphur Springs next week. Most of the people will arrive Sunday in order to get in some golf practice preparatory for the tournament which starts Tuesday afternoon. On Tuesday morning President J. Arthur Nelson of the International association will preside with C. H. Burras, secretary of the agents' association as his bodyguard. There are three addresses scheduled for that meeting: President C. D. Sturdevant of Bartlett, Frazier & Co. of Chicago; R. L. Lund of St. Louis, president National Association of Manufacturers, and Insurance Superintendent Van Schaick of New York. On Tuesday evening there will be a dinner and round table discussion for members of the agents' association.

On Wednesday morning President T. E. Braniff of the agents' association will preside with F. Robertson Jones, secretary of the International association, as his chief lieutenant. The three addresses for the morning will be from A. A. Ballantine of the law firm of Root, Clark, Buckner & Ballantine of New York; Governor George White of Ohio and Insurance Commissioner M. L. Brown of Massachusetts. Mr. Ballantine is a former assistant Secretary of the Treasury. On Wednesday evening will be the joint convention banquet.

On Thursday morning the two organizations will meet separately for business sessions.

### Chaloner Makes Connection

R. S. Chaloner, who was manager of the Chicago branch of Lloyds of America of New York, has become associated with the Chicago office of Jones & Whitlock where he will specialize in the production of casualty lines. The office represents the American Indemnity and American Surety. Mr. Chaloner was at one time assistant manager of the Travelers in Chicago, then manager of the Norwich Union Indemnity. He was also connected at one time with the Royal Indemnity.

Jones & Whitlock have facilities for handling marine, casualty and automobile lines, including fleets.

### Strubinger Extends Operations

The Bert E. Strubinger claim department of St. Louis announces the opening of another division office at 220 North Fountain street, Cape Girardeau, Mo., under the management of J. C. Blanton. A division office will also be opened at Quincy, Ill., within the next few weeks. Mr. Strubinger has been operating a division office at Springfield, Mo., 207 Holland building, for one and one-half years in addition to the main office at St. Louis. He is opening the additional offices so as to cover the entire state as well as parts of Illinois, Iowa, Arkansas, Kentucky and Oklahoma.

### Preferred Accident Activity

A. C. Boyd of New York City, superintendent of the Preferred Accident and Protective Indemnity, and Walter Washburn, agency supervisor, have been in Chicago arranging to appoint some field men and organizers. Mr. Washburn will remain in Chicago getting the new men started.

## Have Charge of Tournament



WALLACE J. FALVEY, New York City Chairman



JOHN G. (JACK) YOST, Baltimore Vice-Chairman

Wallace Falvey of New York City, vice-president of the Massachusetts Bonding in charge of its metropolitan department in New York City, is chairman of the golf committee for the big White Sulphur Springs casualty convention next week. John G. Yost, assistant secretary Fidelity & Deposit, is vice-chairman in direct charge of tournament details. These are two diplomats, whose experience and characteristics fit them for this work which often calls for patience, candor, amiability, and courage.

### Michigan Medical Society Bans Flat Fee Services

GRAND RAPIDS, MICH., Sept. 20.—The house of delegates of the Michigan State Medical Society at its annual meeting here adopted a resolution binding county medical societies to decline service in hospitals operating under insurance or flat fee policies considered in violation of the principles incorporated in the medical society's own plan. Any such plans in use in this state, it was set forth, must be submitted for consideration of the state society and be given approval before members of the local units can serve such hospitals. An essential of any such plan, to gain approval, is free choice of physician by the insured patient.

Dr. W. H. Marshall, Flint, chairman of the committee on economics, was instructed to continue research as regards a medical-society-controlled health service plan.

### Aetna Casualty Dramatizes Its Educational Material

The Aetna Casualty & Surety and affiliated companies are planning to have an exhibit at the annual convention of the National Association of Insurance Agents in Chicago in which the more important educational and sales facilities provided representatives will be dramatized. By means of a novel construction, lighting effects and panoramic scenes, many of the services will be visualized in actual use.

Particular emphasis will be placed on the "Aetna Plan," one of the first and one of the leading survey systems designed to assist agents in developing business on a practical, systematic basis. Scenes will depict the plan in action from the first step, analyzing the risk, to the completed plan, including the special instruction manual and forms for agents' use.

R. P. Cunningham, for the past six years staff adjuster for the Aetna Life and affiliated companies, has been made sales manager for the Geo. W. Rourke Agency in Seattle. He succeeds M. B. Jackson, who has joined the National Insurance Brokers of Seattle.

### Illinois Association Meets on Notary Bond Rate Rise

The Surety Association of Chicago is meeting Thursday noon to take up the question of the great increase in rate on notary public bonds made by the Towner Rating Bureau from \$5 to \$20, resulting from passage of a new law in Illinois holding notaries accountable for any funds, securities, etc., entrusted to their care for transmission. The rate originally was \$3, then was raised to \$4 and later to \$5.

The Chicago association contends that very few notaries ever are required to perform this particular function and the heavy rate would penalize the vast majority of notaries in Illinois to cover the very few who might be exposed to this hazard. The association will also lay plans for the annual meeting and set the date.

### Dry Goods Group Considers Organization of Reciprocal

SAN FRANCISCO, Sept. 20.—According to reports current here the Retail Dry Goods Association has been considering the organization of a reciprocal to handle its members' public liability insurance but action has been postponed following an investigation regarding the frequency of claims and the payment of many nuisance losses.

The present conferences between the retailers association, companies and the producers are confined entirely to methods which might be employed successfully to eliminate these undesirable features so that the claims can be limited only to bona fide accidents.

It is understood from informal conversations with retailers that the association in San Francisco will use whatever agreement is made with the companies as a "code" to whip the non-members of their association into line in observing the same practices. It is also learned that if such an agreement proves successful in the San Francisco association, other local bodies of the same character will adopt it and eventually it will become a part of the practices of the national organization.

## Cleveland Lawyers Demand More Strict Insurance Law

### TO PREPARE MODEL MEASURE

Cuyahoga County Bar Association Wants Federal Commission, Added State Restrictions

CLEVELAND, Sept. 20.—The Cuyahoga County Bar Association has launched a campaign for more effective insurance legislation in Ohio. A probe of alleged unsound insurance carriers has already been started. It is claimed that the state is lax in enforcing its laws. The Ohio law allows companies from other states to enter the state after either depositing \$50,000 in securities or on certification that the companies have deposited \$100,000 in their own state. Many of them comply with the latter provision, which the bar association claims is small protection. The laws regulating casualty companies are referred to in particular as furnishing little security.

It is claimed that companies are operating in Ohio which have more exceptions than unqualified benefits in their policies and that their advertising has been decidedly misleading, which hurts the business of legitimate companies and destroys the confidence of the public in insurance generally.

The association plans to draft a model insurance bill for presentation to the next legislature. The statutes of other states are being studied in that connection. It favors a compulsory deposit in the state where business is done instead of a reciprocal rule and a law compelling newspaper advertisers to secure a permit from the state. It also suggests that a federal law should be enacted, creating an interstate insurance commission similar to the interstate commerce commission. No insurance company, it contends, should be allowed to write insurance in a state without designating representatives on whom process can be served. At present some companies doing business by mail can only be sued for claims in their home states.

### Walter Conroy Awarded First Claim Story Prize

The prize claim story goes this week to Walter Conroy, well known agent at Keansburg, N. J. Mr. Conroy had an assured who had a liability and property damage policy on his automobile and reported that he had struck a woman, breaking her leg. When the report reached the branch office the manager sent an adjuster to the hospital where the woman had been taken so that he could get a statement from her. He had to travel 125 miles. When he got to the hospital he was politely informed that he could not see the injured woman as it was not visiting day. Not desiring to kill time he told the nurse that the injured woman was his aunt, that he had driven 125 miles to see her and it would be a severe hardship to be away from his employment. The nurse with a very solemn face asked the adjuster if he were sure the injured woman was really his aunt. The adjuster in a very persuasive and convincing way said there was no doubt he was her nephew, he had heard she had been injured in an automobile accident and he was greatly concerned. He said that he knew that the injured woman was his aunt beyond any doubt. The nurse said that under the circumstances she would allow him to see his aunt, who happened to be a Negro.

The Angelus Indemnity of Los Angeles, which was licensed in July with capital of \$300,000 and surplus of \$75,000, as of Sept. 1 shows \$475,000 capital and surplus \$173,331.

## CASUALTY ASSOCIATION NEWS

### Elect Whittemore President

**Indianapolis Casualty & Surety Club  
Holds First Fall Meeting—Turner  
Named Vice-President**

INDIANAPOLIS, Sept. 20.—A. B. Whittemore, Glens Falls Indemnity, was elected president of the Indianapolis Casualty & Surety Club at its first fall meeting. B. R. Turner, Fidelity & Deposit, was elected vice-president. H. E. Schornstin, New Amsterdam Casualty, was re-elected treasurer and F. B. Crowley, National Bureau of Casualty & Surety Underwriters, secretary. The following directors were elected: D. L. Layton, New Amsterdam Casualty; F. P. Davis, Travelers; H. C. Meyer, Standard Accident, and I. W. Sturgeon, Aetna Life.

#### Final Golf Tournament

The final golf tournament including luncheon has been arranged to be held next Saturday afternoon at the Martinsville Country Club. The eight-team

bowling league opens tournament play Oct. 29.

### N. J. Association Opens Season

NEWARK, Sept. 20.—The first regular monthly-luncheon-meeting of the Casualty Underwriters Association of New Jersey, was held today. Two important questions were discussed. One was: "What can we do to make the official investigation of the workmen's compensation bureau a real success?", while the other question was: "What are the suggestions as to a Massachusetts-type investigation of fraudulent practices in automobile accident cases in New Jersey." There was a large turn out of members and President Schaefer has promised an active season.

### Casualty Institute Meets

SAN FRANCISCO, Sept. 20.—At the first session of the Casualty Institute of San Francisco, E. A. Falconer, San Francisco casualty underwriter and lawyer, discussed loss payment and payment of cost of litigation. "Payment of Interest Accruing After Judgment,"

"Payment of First Aid," "Investigation of Claims" and "Defense" will be covered at meetings Oct. 2 and Oct. 16. The course will also include lectures on exclusions, general conditions, underwriting and claims.

## Casualty Field Changes

### Osborn & Lange Appointed

**Takes General Agency for American  
Indemnity in Large Territory  
Around Chicago**

Osborn & Lange of Chicago, large agency some 30 years old which has been especially prominent in the marine field, has been appointed general agent in Cook county and adjacent counties in northern Illinois for the American Indemnity.

George L. Truitt, well known casualty man, has gone with the office as manager of the brokerage department which will develop all automobile lines, including inland marine.

Mr. Truitt is an old Travelers man,

having been at one time joint manager with L. J. Kempf of the casualty department in the Chicago branch of that company. He later was vice-president of the Northwestern Casualty & Surety, later reinsured, and since that time active in various capacities in the Chicago insurance world. Mr. Truitt has a most comprehensive background in casualty and inland marine lines.

### New Lineup in Seattle

SEATTLE, Sept. 20.—Bell & Parker have been named general agents for National Casualty of Detroit, and the Preferred Accident of New York for western Washington. John A. Whalley & Co. are handling eastern Washington territory.

The National Casualty continues its separate office for accident and health with Mrs. M. G. Glosser as state manager.

W. E. Brown & Co. of Seattle have been appointed to handle claims for the Preferred Accident.

W. O. Hull, formerly of Prineville, Ore. has been named manager of the Universal Bond & Mortgage Company of Portland, Ore.

Witt & Broderick Insurance Agency of Portland, Ore. handling general insurance and surety bonds, has been taken over by F. D. Broderick, with offices in the Wilcox Building.

### Dougherty in Adjustment Field

NEWARK, Sept. 20.—A. J. Dougherty, who has resigned as assistant claim manager at the New York office of the Fireman's Fund Indemnity, has entered the adjustment field for companies in New Jersey with offices in the Military Park Building, Newark. Before joining the Fireman's Fund, he was manager of the Newark office of the General Casualty & Surety.

### R. L. Gueydan's New Connection

R. L. Gueydan, surety manager for the Lloyds in Chicago and previous to that in charge of the surety department of the Detroit Fidelity & Surety, has connected with A. F. Shaw & Co. in Chicago, general agents of the St. Paul-Mercury Indemnity. He is handling bonds of all kinds but specializing on court bonds.

### Opens Los Angeles Office

The Crown Indemnity Exchange, San Francisco automobile and casualty reciprocal, has opened a southern California office at 701 Rives-Strong building, Los Angeles, which will operate under the name of the Crown Underwriters, Ltd. F. M. Burnside, formerly with the Fireman's Fund and well known as an automobile underwriter, is manager.

### T. W. Wisdom Advanced


T. W. Wisdom has been promoted to field supervisor in the Los Angeles branch office of the United States Fidelity & Guaranty. He has been with the company there for seven years in charge of the fidelity and surety department.

### Freed in New Connection

The Andrews agency of Kankakee, Ill., has employed Herman E. Freed as manager of its casualty department. Mr. Freed has been manager of the Snyder Brothers general agency of Louisville and before that was agency supervisor for the London Guarantee for two years. His first experience was with the Travelers, having graduated from the company's training school in 1920 and then traveling nine years in Indiana, Oklahoma and Louisiana.

### Armstrong Gets Norwich Union

The Armstrong General Agency of Seattle has been appointed general agent for the Norwich Union Indemnity. It is also general agent for the Maryland, Pacific Coast Fire and Commercial Union.



**NRA**  
MEMBER

**U.S.**

**WE DO OUR PART**

**FIDELITY & DEPOSIT COMPANY**  
OF MARYLAND

---

**AMERICAN BONDING COMPANY**  
OF BALTIMORE



### Telechron Principle Is Used in Safe Time Lock

An ingenious device for daylight bank protection, making use of the "telechron" principle through franchise from the General Electric, was demonstrated before the Burglary Underwriters Club of Chicago at the first fall meeting by C. H. Donnell of the Mosler Safe Company. The device now is undergoing tests in the Underwriters Laboratories. It permits time control of cash vaults during daytime without inconvenience sometimes resulting from use of the ordinary time lock nor danger to bank officials at the hands of bandits ready to shoot because they think time is deliberately being wasted.

The device was originated to meet the requirement laid down by the National Bureau of Casualty & Surety Underwriters recently that a bank maintain 85 percent of its currency under time lock during banking hours.

#### How Mechanism Operates

A bar is set manually to locking position and released in a set period by the synchronized electrical impulses, which are used for operating electric clocks. The clock is set for a definite period in the factory and cannot be tinkered by dishonest bank employees. In the installation no combination dial is used. There is the ordinary locking handle with a small button which is turned to lock the safe and set the mechanism. Until an electric cord from an alternating current source is plugged into the safe, it remains locked. There is a plate on the door explaining that the safe cannot be opened any other way by any one in the bank. Dual control is given by a key lock which will leave the door closed even if the electric unlocking device has functioned.

Mr. Donnell said the race with criminals probably never permanently will be won, but the electric time clock appears to have stumped daylight robbers for the time being.

### Metropolitan Soon to Quit Compensation in Michigan

LANSING, MICH., Sept. 20.—The Michigan department has been notified by the Metropolitan Casualty that it is withdrawing from Michigan as far as workmen's compensation business is concerned. The department was requested to modify its certificate of authority to that extent. Discontinuance of compensation business will release the \$25,000 bond which has been required of all New York companies writing this line in the state. It is the company's attitude that the small volume of compensation business done here does not warrant maintaining the deposit.

#### Mead Seattle Speaker

SEATTLE, Sept. 20.—Dwight Mead, first vice-president of National Association of Accident & Health Managers, spoke on "Should This Business Attract Young Men and Why" at the monthly meeting of Accident & Health Club of Seattle.

The association plans to carry on an educational program during the fall months.

#### Matlock with Loyal Protective

George A. Matlock of Seattle, formerly general agent in Washington for Monarch Life, has been appointed general agent there for the Loyal Protective of Boston.

#### Hoadley Fractures Wrist

George O. Hoadley, resident vice-president in San Francisco of the Bankers Indemnity, suffered a fractured

wrist when he fell at his country club recently, following a golf game.

### Teach Safety in Schools

SAN FRANCISCO, Sept. 20.—Street and highway safety has been formally made a part of the curriculum of the San Francisco high schools as the result of more than a year's effort on the part of the San Francisco Council for the Reduction of Automobile Accidents, which is sponsored and maintained by insurance companies. Under the plan 200 safety manuals prepared by the council have been distributed to high school teachers by the board of educa-

tion of San Francisco, with explicit instructions as to their use.

### Joint Meeting in Los Angeles

The California Association of Accident & Health Clubs, which includes the San Francisco and Los Angeles clubs, will hold its annual meeting in Los Angeles Sept. 23. The meeting alternates between Los Angeles and San Francisco. President W. E. Lebby, general agent Massachusetts Indemnity, Los Angeles, will be in the chair and Dwight Mead of Seattle, general agent Pacific Mutual Life and vice-president of the National Association of Accident

& Health Managers, will be the principal speaker.

The joint session will be followed by a meeting of the Los Angeles club, with C. M. Beall, Inter-Ocean Casualty, in charge of the program, which will feature five-minute discussions of various subjects of interest to accident and health men.

The Los Angeles club will provide the entertainment program at the dinner, in charge of H. F. Thompson. A large attendance of members of the San Francisco club is expected.

Thomas O'Connor, 78, veteran local agent at Wellsville, N. Y., died there after several months' illness.



#### NATIONAL SERVICE

on  
Automobile

Plate Glass

Burglary

Public  
Liability

Compensation

Accident and Health  
Insurance

and  
Fidelity and Surety  
Bonds

Capital  
\$1,000,000

Surplus  
to  
Policyholders  
\$1,514,649

Assets  
\$4,416,237

ACTIVE AGENCY ASSISTANCE

CONSISTENT UNDERWRITING

SOUND INVESTMENTS

Continue to be Outstanding Qualifications  
of  
CENTRAL SURETY



**CENTRAL SURETY  
AND INSURANCE  
CORPORATION**

KANSAS CITY,

MISSOURI

DENNIS HUDSON, President

## WORKMEN'S COMPENSATION

### Rates Are Raised in Ohio

#### Compensation Results in State Monopoly Fund Force Higher Costs on Employers

The industrial commission of Ohio has approved the revised premium rates for compensation, Ohio conducting a monopolistic fund. The general level of the revised rates is approximately 28.8 percent higher than during the last year. The total receipts of the private employers fund last year amounted to \$8,140,584 while the disbursements were \$14,406,007, excess of disbursements being \$6,265,423. The catastrophe and general surplus has been reduced from \$2,634,132 to \$116,908 during the year. During the past year the increase in cost of medical, hospital and nursing benefits was 14.5 percent. The compensation to the injured worker has increased 10.4 percent during the year.

### Parks Is Chosen President of Industrial Commissions

J. A. Parks, chairman of the Massachusetts industrial commission, has been elected president of the International Association of Industrial Boards & Commissions.

G. C. Baker, chairman of the Kansas commission, was chosen vice-president. The selection of secretary and treasurer was referred to the executive committee. The two officers, P. J. Angsten, chairman of the Illinois industrial commission; G. W. Armstrong, Nova Scotia; M. W. Allen, North Carolina; P. P. Daens, Virginia and T. M. Gregory, Ohio, are members. The 1934 convention will be held in Boston, starting Sept. 10.

The Chicago meeting passed a resolution urging that commissioners handling compensation claims be given much longer terms of office and should be paid "reasonable" salaries. Much of the discussion centered about accident causes.

### Ask Coal Mine Rate Revision

OKLAHOMA CITY, Sept. 20.—Oklahoma coal mine operators have asked the state insurance board for a reduction of nearly 66% percent in compensation rates for coal miners. The board withheld action on the recom-

mendations, pending a conference with the state industrial commission and chief mine inspector. The rate was recently set by the insurance board at \$9.90 per \$100 payroll for coal mines north of the Canadian river and \$12.22 for mines south of this line. The operators' recommendations indicated a rate of \$3.76 and \$4.25 respectively.

The recently established rates were mainly for the benefit of the new state fund as most of the coal mine operators in Oklahoma carry their own compensation insurance. It is virtually impossible to get coverage on this class from casualty companies.

### Ohio Compensation Ruling

COLUMBUS, O., Sept. 20.—The Ohio attorney-general has ruled that if the Ohio industrial commission finds that an employing corporation is not in such financial standing as to make certain the payment of compensation as provided for by the state workmen's compensation law, it has no right to require or accept a bond to augment the financial status of the corporation so as to render it eligible to pay compensation direct.

### Minnesota Increase 10.6 Per Cent

ST. PAUL, Sept. 20.—Effective Oct. 1, compensation insurance rates in Minnesota will be increased an average of 10.6 percent. The companies had asked for an increase averaging around 26 percent.

## COMPANY NEWS

### Great Lakes Plan Is Upheld

Circuit Court in Detroit Turns Down Petition Alleging Fraud on Creditors of Central West

DETROIT, Sept. 20.—The plan of organization of the Great Lakes Casualty was this week again approved by the courts when Judge Brennan in circuit court here denied a petition of Oakland county, a creditor of the Central West, which alleged that the formation of the Great Lakes was a fraud on creditors of the Central West. Attorneys for the county urged that a receiver should be appointed for the lat-

ter company and that the Great Lakes should be dissolved.

It developed at the hearing that an audit of the Central West made at the instance of the Michigan commissioner as of April 4, the date of his appointment as custodian manager, using actual market values as of that date, showed that the company was solvent, and that subsequent thereto increased values of securities had bettered the condition of the company, although there is still the question of liability on depository bonds. The custodianship of the Central West was continued.

Those who are in charge of both companies were complimented by the court on the conservative, careful manner in which the companies are being managed.

### Company Statements Given

The Georgia insurance department received the following June 30 statements: Employers Liability, assets \$36,943,995; surplus, \$5,242,612; six months income \$16,799,487; six months disbursements, \$13,917,695. The Home Indemnity reports capital \$1,750,000; assets \$6,319,737; surplus \$916,672; six months income \$1,136,654; six months disbursements \$2,269,311. United States Fidelity & Guaranty has \$2,000,000 capital; assets, \$50,022,053; surplus, \$6,375,533; six months income, \$16,913,062 and six months disbursements, \$18,187,401. The United States Guarantee has \$1,000,000 capital; \$8,618,241 assets; \$2,702,391 surplus; \$2,202,153 income and \$1,653,581 disbursements for the first six months.

## Loss Reduction of Great Importance

(CONTINUED FROM PAGE 27)

of its claim department three years ago has been more than justified with the results attained through it thus far and the positive promise that even greater benefits may be counted upon as the work of the division becomes further organized. That casualty interests suffered severely through the presentation of fraudulent claims was long recognized by men in the business, the extent to which this was true, however, was a matter of mere speculation until the claim division began its intelligent drive when the frauds it unearthed proved to be simply astounding. Few "rackets" have attained the proportions of that reached by fraudulent claimants; organized gangs operating in most of the large centers having through their skillfully planned and ruthlessly conducted operations mulcted railways, steamship lines, industrial enterprises and the casualty companies of millions of dollars annually. Largely as a consequence of the National Bureau's leadership the police throughout the country have become actively concerned over the claim racket, and in many cases have effectively aided in running the crooks to cover.

Aside from outright fraudulent demands casualty companies suffer from the presentation of excessive claims for legitimate injuries, the public having become claim minded, particularly when it is known or suspected that insurance is carried by a landlord, contractor or motorist.

Local agents, by virtue of their close contacts with assureds and the opportunity frequently accorded to secure early and authentic information regarding the circumstances surrounding a claim, are in position to render efficient aid to their companies in effecting settlement, assuring that every honest claim is met in full, and, by the same token, discouraging all efforts to collect improper amounts.

H. J. Kennedy, vice-president Great Lakes Casualty of Detroit, has returned to the home office following a ten days' agency trip through Ohio.

## PERSONALS

In giving the new officers of the International Claim Association last week, E. E. Elliott, who was elected vice-president of that organization at its annual meeting at Atlantic City, was incorrectly listed as being with the Travelers Health Association of Omaha. Mr. Elliott is secretary-treasurer of the Physicians Casualty Association of Omaha.

Fred W. Timby, Pacific Coast manager of the accident and health department of the Preferred Accident, stopped off in Chicago on his way back to the coast from a visit to the home office of the company in New York. Mr. Timby is secretary of the Accident & Health Managers Club of San Francisco and conferred while in Chicago with some of the leaders in organization activities in that city.

A particularly happy smile illumines the countenance of R. H. Towner, manager of the Towner Rating Bureau of New York City these days, the occasion thereof being the arrival of a bouncing baby at the home.

N. H. Bretz of Cincinnati, manager of the underwriting department of the Western & Southern Indemnity at its home office, is critically ill. High blood pressure and other complications make his recovery very doubtful. Mr. Bretz is a well known underwriter and was formerly associated with the Southern Surety.

H. K. Coffey, of Portland, Ore., manager of the Washington-Oregon agency of the Mutual Benefit Health & Accident and United Benefit Life of Omaha, flew with four of his agents to the annual convention at the home office and afterwards continued on to Chicago with the delegation to attend the world fair. He was accompanied by Mrs. Coffey. Mr. Coffey has been piloting a plane more than 15 years and now operates a fine six-passenger Stinson.

## Stirred Up Over Prospect of Fund

(CONTINUED FROM PAGE 27)

panies during the past year and should be wary of the tribe in future.

Touching upon automobile insuring writings in New Jersey Mr. Beha stated that approximately \$12,000,000 had been paid in claims by stock companies during 1932 evidencing that in a business of such magnitude rates must be correctly applied. The way, and the only sensible way, in which to secure reduced rates for the line, he asserted, is to cut the loss record, primarily through a lessening of the number of accidents and in the amount of damage awards.

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In attaining such purpose the agents can be of material aid through participating in the enforcement of safety ordinances and in fighting illegitimate and excessive claims. He commended the New Jersey agents warmly for their interest in safety movements, citing specific instances in different counties where the cooperation of the local men had been especially efficient. Reduction in the number and seriousness of automobile accidents, Mr. Beha pointed out, would result in the writing of a larger volume of business and of a superior quality. Today but 50 percent of the cars in New Jersey carry public liability insurance, indicating the possibilities of new accounts that might be secured were rates reduced. This can be accomplished if the campaign for road safety is broadly and aggressively developed.

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